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North, IAEA 'Likely' To Hold 3d Contact 13 Jan
SK1101230294 Seoul KBS-1 Radio Network in Korean
2200 GMT 11 Jan 94

[Text] A source of the International Atomic Energy Agency [IAEA] said North Korea and the IAEA are likely to hold the third round of their official contacts to negotiate over the nuclear inspection issue on 13 January.

Regarding this, IAEA spokesman Hans Meyer said that North Korea had not informed the IAEA of a date for the next contact, but he expected that they will have another contact in the weekend, at the latest.

As the North Korean position and the inspection targets demanded [sachal yogu hangmok] by the IAEA were clearly expressed to each side in writing during the first and second rounds of their contacts, they are expected to hold intensive negotiations to narrow the differences between the two during the third contact.

Japan**Senator Rockefeller, Hata Discuss Trade Issues***OW1101130894 Tokyo KYODO in English 1241 GMT
11 Jan 94*

[Text] Tokyo, Jan. 11 KYODO—Visiting U.S. Sen. John Rockefeller, a Democrat from West Virginia, on Tuesday [11 January] urged Japan to take concrete steps to ensure that Japan's chronic trade surplus with the United States is whittled down in coming years.

Foreign Ministry officials said Rockefeller, a veteran member of the Senate Commerce, Science and Transportation Committee, made the request in a meeting with Foreign Minister Tsutomu Hata.

Rockefeller pointed to the importance of the upcoming summit between President Bill Clinton and Prime Minister Morihiro Hosokawa slated for February 11 for alleviating any irritants between the two countries, they said.

In reply, Hata said Japan recognized the "need to bolster the transparency" of bidding procedures for the construction market, to which the Clinton administration has been demanding greater access for American contractors, they said.

The minister also pointed out that Japan's plan to proceed with deregulation, loosening various curbs binding the hands of Japanese businesses and society will help improve the relations with the United States.

Rockefeller, a Harvard graduate who studied at International Christian University in Tokyo from 1957 to 1960, is noted for his familiarity with Japanese political affairs.

Businessman Says U.S. Has Competitive Edge*OW1101133794 Tokyo KYODO in English 1245 GMT
11 Jan 94*

[Text] Tokyo, Jan. 11 KYODO—Japan has "completely lost" to the United States in competitiveness of such leading industries as the electrical-electronics and car sectors, a leading business official said Tuesday [11 January].

Ryuzaburo Kaku, vice chairman of the Japan Association of Corporate Executives (Keizai Doyukai), told a press conference that stepped-up efforts to develop innovative technologies is the only way for Japan to recover its competitive edge.

"But this takes a few years to do, so the situation will not change this year," he said.

Kaku, who is also chairman of leading camera maker Canon Inc., said U.S. companies have poured much effort into improving their production technologies in recent years, while dramatically reforming their approaches to management.

These steps, he said, have substantially reduced manufacturing costs and thereby the prices of their products, leaving Japanese-made products less competitive.

Spero Urges Greater Effort on Market Access*OW1201080794 Tokyo KYODO in English 0749 GMT
12 Jan 94*

[Text] Tokyo, Jan. 12 KYODO—A senior U.S. trade negotiator on Wednesday [12 January] urged Tokyo to redouble its efforts to improve American access to its markets in line with last year's accord to forge a new bilateral trade framework.

"By almost any measure, be it the stock of foreign investment in Japan as a percentage of gross domestic product (GDP), or the import penetration of foreign manufactured goods, Japan's economy is markedly less open than any other developed economy," said Joan Spero, under secretary of state for economic, business and agricultural affairs.

Spero is on a four-day visit to Japan to push stalled talks on a bilateral trade framework before U.S. President Bill Clinton meets Japanese Prime Minister Morihiro Hosokawa in Washington on February 11.

"Quite frankly, progress to date in the talks has been disappointing," Spero told a news conference at the Japan National Press Club. "We are looking for real results in these (framework) talks and not cosmetic agreements."

Saying Japan is responsible for 60 percent of the U.S. global trade deficit, Spero added, "clearly, there is something wrong in the basic structure of our economic relationship."

"While this imbalance is due in part to broad macroeconomic forces, it also is a consequence of the structural relationship between Japan and the global economy, and the inadequate market access that foreign firms encounter in Japan," she said.

Spero dismissed what she views as "repetitive and inaccurate claims" going around in public debate in Japan in the past few months that Washington is seeking specific market share targets.

Spero said, "This misinformation, or disinformation, has obscured an understanding of the purpose of the framework."

She said the framework is aimed at addressing macroeconomic imbalances, reducing sectoral and structural barriers and promoting an open and freer economy in Japan.

During the July 1993 talks between Clinton and then Japanese Prime Minister Kiichi Miyazawa, Tokyo committed itself to "significantly" decrease its current account surplus and expand its global imports of goods and services, she said.

In order to correct chronic economic imbalances and market access problems, Japan and the United States agreed last July to come up with "a variety of qualitative and quantitative indicators" to assess whether they are "moving in the right direction," Spero said, calling for "results" in specific bilateral trade areas like autos and financial services.

"These are changes that will benefit not just foreign firms but Japanese as well," she said.

Elaborating on the indicators as sought by the U.S. under the July accord, Spero cited U.S. auto dealers planning to operate in Japan.

As a quantitative measurement, the number of U.S. auto dealerships should increase in Japan, she said. But qualitative aspects, such as their location and how they are operated, are also important, she added.

"The constant portrayal by some Japanese that our framework proposals are managed trade is wrong. Our goal is to unmanage trade in Japan, not to manage it," she said.

It is not time for the two countries to discuss whether or not they have agreed to adopt trade measurements but it is time for them to "get down and begin serious discussion" on ways to open specific markets, she said.

Spero voiced hope that ongoing negotiations between Japan's ruling coalition parties and the opposition camp on political reforms will not hinder progress in Japan-U.S. trade talks.

Hosokawa-Clinton Summit 'Crucial' to Trade Talks

*OW1201084294 Tokyo KYODO in English 0828 GMT
12 Jan 94*

[Text] Tokyo, Jan. 12 KYODO—The Washington summit between Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton in February is a crucial step for bilateral trade talks, Chief Cabinet Secretary Masayoshi Takemura said Wednesday [12 January].

The top government spokesman told a news conference that Tokyo "attaches great importance" to the summit, which comes at the final stage of framework trade negotiations between the two countries.

Hosokawa and Clinton are scheduled to meet February 11 in Washington to assess the progress of the trade talks, which are being held under the Japan-U.S. trade framework accord reached last July.

Takemura said that in addition to talks on bilateral relations, the premier also plans to present Clinton with a specific plan to boost the languishing Japanese economy.

Hosokawa will likely visit the U.S. capital from February 10 to 12, Takemura said, adding he had not heard if the Japanese leader would confer with Clinton on more than one occasion.

Tokyo Rejects U.S. Request on Auto Targets

*OW1201120894 Tokyo KYODO in English 1154 GMT
12 Jan 94*

[Text] Tokyo, Jan. 12 KYODO—Japan and the United States were at odds Wednesday [12 January] in bilateral trade negotiations here over a U.S. demand that Japan set new targets for its imports of U.S.-made automotive components, Japanese officials said.

Vice trade ministers of the two countries kicked off three days of talks on auto trade, one of the industrial sectors covered by the bilateral "framework" trade negotiations agreed on last July.

Sources close to the negotiators said Japan adamantly rejected the U.S. request, reiterating that too much government intervention in the private sector results in managed trade.

The U.S. side showed some understanding toward the Japanese position, but asserted that the government has a role to play in making it easier for U.S. cars to enter the Japanese market, the sources said.

They said the discrepancy will delay an agreement on the talks to next week or after.

Meanwhile, Jeffrey Garten, U.S. under secretary of commerce for international economic affairs, met personally with Japanese makers to persuade them to agree to help increase sales of U.S. finished cars in Japan and entry by U.S. firms into the country's parts repair industry.

A senior official of the Ministry of International Trade and Industry said later in the day that the bilateral talks will not be settled unless the U.S. drops its demand that Japan set numerical targets to gauge the openness of Japan's auto market.

He noted there were no prospects of growth in the domestic demand for motor vehicles.

"Under such circumstances, we can't urge domestic automakers to buy more parts from U.S. parts suppliers because they have shut down some of their factories and imposed tough demands on their subcontractors," said the official, who declined to be identified.

No Progress Made in Insurance Market Talks

*OW1201030794 Tokyo KYODO in English 0258 GMT
12 Jan 94*

[By Antonio Kamiya]

[Text] Washington, Jan. 11 KYODO—Japanese and U.S. officials wrapped up their latest round of “framework” trade negotiations on Tuesday [11 January] without narrowing differences on any major issues during two days of talks.

The two sides agreed to meet again, but officials predicted there will likely be no real progress until the “final hours” before a summit between Japanese Prime Minister Morihiro Hosokawa and President Bill Clinton on February 11.

“It is like any negotiation—you get right up to the final edge and most of that will probably be worked out in the final hours,” said State Department Counselor Tim Wirth.

The talks at the U.S. Trade Representative Office centered on the Japanese insurance market, one of three market sectors designated as priority areas in the Japan-U.S. framework negotiation process.

Mid-level officials from the Japanese Finance Ministry and the U.S. Trade Representative Office are trying to put together a draft that incorporates both agreement and disagreement for further negotiation on a more senior level, Japanese sources said.

Apart from the huge 300 billion dollar Japanese insurance market, the U.S. also wants to increase sales in the Japanese automobile market and hike its share of Japanese Government purchases of telecommunications and medical equipment.

Under a schedule worked out between U.S. and Japanese officials, deputy ministers from the two countries will try to seek common ground in two more rounds of talks, the first set for January 25 to 26 in Washington and the other February 3 to 5 in Tokyo.

So far, one chief difference is over the type of so-called “objective criteria”—a requirement prescribed in the framework accord—for assessing progress of import penetration in Japanese markets.

Washington has insisted on using the level of imports in other group of seven industrial nations as “the norm” for Japan to follow.

Japanese officials have called the U.S. position “unacceptable,” saying such measures would amount to setting aside a specific market share for foreign goods and services.

“In a market economy, the government has no such power,” said a Japanese official who briefed reporters on the latest round of framework talks.

Japanese officials also expressed dissatisfaction about a U.S. refusal to negotiate market access issues in the United States, particularly with respect to the U.S. insurance market.

Japanese officials insisted that Tokyo has the right to raise such issues under terms of the framework accord.

The agreement, reached last July between Clinton and then Japanese Prime Minister Kiichi Miyazawa, calls for “consultations...under the basic principle of two-way dialogue.”

“They say that is merely a promise to hold talks, to consult, but not to negotiate,” said a Japanese official, who requested that he not be identified.

“This is clearly sophistry,” he said.

Such rhetoric marked an escalation in the war of words between Japanese and U.S. Government bureaucrats involved in the tenuous trade negotiations between the two trading partners.

Last week, Under Secretary of State Joan Spero called Japanese trade officials “quite rigid” and accused them of spreading “disinformation” on U.S. objectives regarding access to Japanese markets.

Japanese officials have expressed dismay about what they view as a U.S. attempt to discredit Japanese bureaucrats.

“We are clearly not happy about it, and we told them so,” a Japanese official said.

Hosokawa Pledges To ‘Contain’ U.S. Threat of Sanctions

*OW1201120594 Tokyo KYODO in English 1156 GMT
12 Jan 94*

[Text] Tokyo, Jan. 12 KYODO—Prime Minister Morihiro Hosokawa said Wednesday [12 January] that Japan has to contain the U.S. inclination to retaliate against what it labels as unfair traders.

Hosokawa made the remarks when he met the heads of Japan’s four major business lobbies, including Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren).

During the 90-minute meeting, Hosokawa said, “The United States is threatening to use Section 301 (of the 1974 U.S. Trade Act) in the bilateral ‘framework’ trade negotiations.

“Japan will have to act to contain the move through the world trade organization, agreed to be established at the Uruguay Round of multilateral trade talks” completed in December, he said.

The premier also reassured business leaders that he will reject U.S. demands on Japan to set numerical targets on bilateral trade when he meets President Bill Clinton in February in Washington.

“When we met in Seattle last year, I told the President that the Japanese Government cannot make pledges on

matters concerning the private sector. I will repeat these words in the summit meeting," he said.

Tokyo To Extend 2 Billion Yen Grant to Ghana

*OW1201103894 Tokyo KYODO in English 1014 GMT
12 Jan 94*

[Text] Tokyo, Jan. 12 KYODO—Japan will extend a 2 billion yen grant to Ghana to help the African nation's efforts to promote economic structural reform and ease economic difficulties including debt problems, the Foreign Ministry said Wednesday [12 January].

Japanese Ambassador to Ghana Toshihiro Kojima and Ghana's Foreign Minister Obed Asamoah signed an agreement on the grant in the capital city of Accra, the ministry said.

The grant-in-aid is part of a Japanese pledge to extend between 650 and 700 million dollars to African nations over a three-year period, it said.

Japan made the pledge at the G-7 summit in Munich in 1992.

Political Reform Committee Chairman Resigns

*OW1201035994 Tokyo KYODO in English 0329 GMT
12 Jan 94*

[Text] Tokyo, Jan. 12 KYODO—The chairman of the House of Councillors' Special Committee on Political Reform resigned Wednesday [12 January] after the panel passed a no-confidence motion against him the opposition had submitted in protest against his handling of political reform bills.

The ruling and opposition camps agreed later to pick panel member Yubun Ueno as successor to Shoji Motooka as committee chairman. Both Ueno and Motooka are members of the Social Democratic Party [of Japan], the largest among the seven parties in the ruling coalition.

The committee voted 17-16 to pass the motion submitted by the Liberal Democratic Party [LDP], the main opposition party.

Members of the LDP, the Japanese Communist Party and the Niin Club, a small group of upper house members, voted for the motion.

The resolution is legally not binding and only reflects the committee's feelings, Diet officials said.

The LDP's motion was an apparent bid to slow the passage of government-proposed political reform bills through the upper house, coalition sources said.

The main opposition party accused Motooka of ignoring the LDP's objections to the holding of a vote two days before to set the date of a public hearing on January 17.

The setting of the hearing paves way for the ruling coalition to vote on the reform bills.

Coalition sources said the ruling parties may vote on the package of four reform bills in the committee on January 18 and at a plenary session the following day.

If the bills pass the second chamber without being modified, they will become law since the House of Representatives has already approved them.

The bills call for introducing single-seat constituencies combined with proportional representation for House of Representatives general elections and imposing stricter controls on political funding. Both ruling and opposition parties say the current multi-seat election constituencies are money guzzling and the root cause of political corruption.

Prime Minister Morihiro Hosokawa has staked his political future on the enactment of the bills.

Cabinet Task Force To Promote Reform, Deregulation

*OW1201055194 Tokyo KYODO in English 0528 GMT
12 Jan 94*

[Text] Tokyo, Jan. 12 KYODO—Prime Minister Morihiro Hosokawa said Wednesday [12 January] his cabinet will establish a task force next week to promote administrative reform and deregulation.

The premier disclosed this plan at a meeting Wednesday morning with leaders of the Japan Association of Corporate Executives (Keizai Doyukai), according to government officials.

"First there will be efforts to relax various regulations on housing construction and real estate development," Hosokawa was quoted as saying.

Hosokawa also said he will try step by step to ease government controls in such fields as telecommunications, broadcasting and distribution systems.

The task force, which consists of cabinet members, will be headed by Hosokawa himself, the officials said.

He said, "there are some 200 regulations concerning housing construction, and if such controls are eased construction costs should decline to two-thirds of the current price level."

Such deregulation would have an instant effect, he said. "For instance, if controls on imported materials are lifted, we can expect an effect as early as April."

The task force will also help boost local government administration and reduce bureaucracy, Hosokawa said.

Meanwhile, Masayoshi Takemura, chief cabinet spokesman, told a news conference that the government

will incorporate measures to ease housing and real estate controls in a pump-priming package to be announced later this month.

Executive Urges Hosokawa To Hasten Political Reform

OW1201040394 Tokyo KYODO in English 0331 GMT 12 Jan 94

[Text] Tokyo, Jan. 12 KYODO—A top business executive asked Prime Minister Morihiro Hosokawa on Wednesday [12 January] to see through long-delayed political reform as quickly as possible so as to fully combat the languishing Japanese economy, the top government spokesman said.

Masaru Hayami, chairman of the Japan Association of Corporate Executives (Keizai Doyukai), made the request when he and other leaders of his business lobby met with the prime minister over breakfast, Chief Cabinet Secretary Masayoshi Takemura said at a news conference.

Hosokawa told the business leaders that now is the crucial time in Diet debate on a government-sponsored political reform package aimed at rooting out corruption in Japanese public life.

Hosokawa has staked his premiership on enactment of the package before the current Diet session ends on January 29.

The premier reportedly said he wants to make a judgment on fresh pump-priming measures in line with talks of an economic panel of the government and ruling coalition parties.

Hosokawa Backs Passage of Political Reform Bills

OW1201082494 Tokyo KYODO in English 0753 GMT 12 Jan 94

[Text] Tokyo, Jan. 12 KYODO—Prime Minister Morihiro Hosokawa said Wednesday [12 January] the government wants to get political reform bills through a House of Councillors plenary session not later than January 19.

In related developments, an upper house political reform panel adopted a motion by the governing coalition to hold a public hearing in local cities on January 18, a precondition to voting on the bills in the upper house plenary session. On Monday, the committee endorsed a resolution to hold a hearing in Tokyo on January 17.

The committee rejected a motion by the opposition Liberal Democratic Party (LDP) to hold public hearings in Tokyo on January 18 and 19 as well as in local cities on January 20 and 21.

Speaking to leaders of Japan's four main business groups during a luncheon, Hosokawa said he called for the passage of the bills through the upper house.

The groups are the Federation of Economic Organizations (Keidanren), the Japan Chamber of Commerce and Industry, the Japan Federation of Employers' Associations (Nikkeiren) and the Japan Association of Corporate Executives.

If the bills pass the second chamber without being modified, they will become law since the bills cleared the more powerful House of Representatives on November 18.

Hosokawa also said he will consider whether it is possible for the government to amend a package of four government-proposed bills in the upcoming 150-day ordinary Diet session starting from January 31.

He has staked his political future on the enactment of the bills by the end of the current Diet session on January 29.

The bills call for replacing the current 511-seat lower chamber with a 500-seat mixture of 274 single-seat constituencies and 226 proportional representation seats.

The LDP has been demanding that the number of single-seat constituencies be increased from the proposed 274. It has also urged the coalition to ease curbs on a proposed ban on donations from business corporations to individual politicians.

Earlier in the day, Yubun Ueno, a panel member, replaced Shoji Motooka as committee chairman. Motooka resigned after the panel passed a no-confidence motion against him in protest against his handling of the political reform bills.

The committee voted 17-16 to pass the motion submitted by the LDP with the endorsement of the Japanese Communist Party (JCP) and the Niin Club, a small parliamentary group.

Both Ueno and Motooka are members of the Social Democratic Party [of Japan] (SDP) [SDPJ], the largest among the seven parties in the ruling coalition.

The LDP accused Motooka of ignoring its objections to the timetable for public hearings set by the governing coalition.

The timetable for public hearing paves the way for the ruling coalition to vote on the reform bills.

Coalition sources said the ruling parties may vote on the package of four reform bills in the committee on January 19 and at a plenary session later in the day.

SDPJ Adopts Action Program; To Stay in Coalition

OW1201133294 Tokyo KYODO in English 1142 GMT 12 Jan 94

[Text] Tokyo, Jan. 12 KYODO—The Social Democratic Party [of Japan] (SDP) [SDPJ], the largest bloc in the ruling coalition, adopted its draft action program for

1994 on Wednesday [12 January] that says the party will remain in the coalition and realign political forces.

In the final day of the party's two-day convention, delegates including party legislators and representatives from local chapters in 47 prefectures, approved the action program as drawn up by the leadership. About 400 delegates have registered with the convention.

At the closing of the convention, Chairman Tomiichi Murayama presented the political outline and said that the party will realign political forces and rally liberal and social democratic forces.

The convention results put the party in alignment toward pushing political reform bills into law, on which Prime Minister Morihiro Hosokawa has staked his premiership.

Discrepancies among party members, however, were made much more clear over the political reform process and the party's relations with the coalition, SDP sources said.

On the back stage, those members mounted a fierce tug of war over resolutions of their own on such issues.

A group chiefly made up of representatives from local chapters submitted a resolution which calls for firstly legislating a law designed to prevent corruption without sticking to enacting political reform bills as a package.

The resolution also urges the party to leave the alliance if the coalition government takes policies which contravene the party's basic stance.

They have expressed dissatisfaction toward leadership, saying the party made "too many concessions" on important issues such as political reform and the partial opening of the country's rice market.

The newly-formed interparty policy study group "Democrats," on the other hand, counterproposed a resolution which urges the party to stay in the coalition and leave the discretion for negotiation and political judgment on the government's crucial policies to the party leadership.

Murayama, however, dissuaded [as received] the two groups to retract the resolutions, saying that if the convention is forced to vote for either of the resolutions the party's disarray will be doomed, party officials said.

In exchange for their conformity to Murayama's request, the chairman accepted their demands that the party will do its utmost to get political reform bills into law without amending the basic points of the bills during the current extraordinary Diet session set to end on January 29.

The government's package of four political reform bills is in the House of Councillors for further deliberation after it passed in the more powerful House of Representatives last November.

The bills call for replacing the current multiseat constituencies of the lower house with a combination of single-seat districts and proportional representation, as well as tightening curbs on political fund-raising activities.

The ratio of single-seat constituencies in the dual system and electoral unit for proportional representation are the key points over which both the government and the largest opposition Liberal Democratic Party (LDP) have been haggling to seek a compromise.

The LDP wants a bigger ratio for single-seat districts because the system is advantageous for a large party like the LDP, while the SDP is reluctant to increasing the figure out of fear that the party's existence could be at risk.

The government bills aim to introduce 274 for single-seat districts and 226 for proportional representation.

Murayama also said that the party will not agree to a hike in the consumption tax from the current 3 percent level to finance cuts in income tax expected as part of anticipated economic stimulus measures.

The SDP chairman also vowed to try to revamp the country's agriculture following the acceptance of a GATT proposal asking the country to partially lift the blanket ban on imports of rice.

The SDP, with many legislators from farming areas like the LDP, had opposed the GATT proposal but ultimately compromised to approve the government decision to partially open the rice market as the Uruguay Round of global trade talks reached the deadline on last December 15.

LDP's Kono Discusses Rice Issue, Political Reform

OW1101124594

[Editorial Report] Tokyo Asahi Television Network in Japanese at 0109 GMT on 9 January, as part of its 105-minute talk show "Sunday Project" which begins at 0100 GMT, carries a 35-minute live interview with Yohei Kono, president of the Liberal Democratic Party (LDP), by economic commentator Soichiro Tawara at the Asahi Television studio in Tokyo.

At 0111 GMT, Tawara begins the interview by discussing censure motions submitted by the LDP in the House of Councillors against the foreign minister and the farm minister over the decision to partially open the rice market. He says that some people believe the LDP's plan is to delay deliberations on political reform. Denying the allegation, Kono says: "We submitted censure motions in the upper house because the ministers' agreement on the decision apparently runs counter to upper house resolutions calling for maintaining self-sufficiency in rice." He stresses that the LDP has no intention of delaying deliberations on political reform.

Tawara says that the LDP acts like an unmanageable child when negotiating with the ruling coalition. Refuting Tawara, Kono says: "The ruling coalition acts high-handedly and does not listen to what the LDP has to say. Opposing such an attitude, we have called for dialogue." Kono then explains the efforts made by the LDP following the adoption of political reform bills in the lower house in mid-November to promote discussions on political reform and a supplementary budget for economic recovery, stressing: "People must clearly understand these efforts." Moreover, he criticizes the ruling coalition for rejecting LDP demands for promoting deliberations both on political reform and economic recovery.

Returning to the rice issue, Tawara asks Kono whether he opposes the partial opening of the rice market. Kono, without answering the question directly, notes that rice farmers in such countries as Australia and the United States are growing rice for export to Japan, while Japanese farmers produce rice for domestic consumption. He expresses apprehension over the impact on Japanese farmers of the decision to partially open the rice market.

After citing news reports saying that the LDP has changed its attitude and has become flexible in debate on political reform, Tawara asks for Kono's comments on the reports. Kono says: "I have asserted from the beginning that the political reform issue should be concluded in the current Diet session" and notes that because of a lack of concessions on the part of the ruling coalition in the lower house, the issue is now being discussed in the upper house. He adds: "The debate in the upper house is aimed at narrowing differences between government-proposed political reform bills and the reform plan put forward by the LDP."

Tawara and Kono then discuss three key issues in political reform on which the LDP and the ruling coalition have not yet reached an agreement: electoral district units for proportional representation; the reapportionment of seats for the lower house; and the handling of political donations by corporations and other organizations. Kono notes that the ruling coalition is split over the issue of whether to compromise with the LDP on these issues. When asked if he rejected compromise measures proposed by Prime Minister Morihiro Hosokawa during the Hosokawa-Kono summit talks last year, Kono says: "No. We both refused to accept each other's compromise plans. I presented my opinions and Mr. Hosokawa rejected them."

Tawara next asks Kono whether the LDP will accept the proposal, which has surfaced within the ruling coalition as a compromise measure, to divide the nation into electoral blocs for voting on the basis of proportional representation. Kono says: "Since we want votes for seats involving proportional representation to be cast on a prefectural basis, discussions will be necessary."

Concerning Tawara's question about whether there is one issue among the three key issues on which the LDP

can compromise, Kono stresses the need for further discussion. Tawara then says that the LDP needs to make compromises in talks with the ruling coalition. Kono responds: "It is necessary to make concessions to enact the political reform bills. That is why I am asking Mr. Hosokawa to compromise." Asked whether he would accept an offer to hold summit talks with Hosokawa again to narrow differences, Kono gives a negative view, noting the importance of respecting political reform debate in the upper house. Finally, Tawara asks whether the LDP is determined not to boycott deliberations on political reform in the upper house. Kono answers: "Our party will never do such a thing."

The interview ends at 0146 GMT.

MAFF Seeks 500 Billion Yen Under Extra Budget

*OW1201134494 Tokyo KYODO in English 0833 GMT
12 Jan 94*

[Text] Tokyo, Jan. 12 KYODO—The farm ministry will seek an additional 500 billion yen to expand the scale of Japan's rice farming under the third supplementary budget for fiscal 1993, ministry officials said Wednesday [12 January].

Large-scale farming is needed to cut the cost of rice production in Japan, said the officials at the Agriculture, Forestry, and Fisheries Ministry [MAFF].

Later this month the government is expected to compile the extra budget for the year ending next March 31 as part of its economic stimulus package.

The extra money is needed to deal with the government's decision in December to partially open Japan's rice market, the officials said.

The government made the decision when it accepted a proposal of the General Agreement on Tariffs and Trade (GATT) at the GATT-sponsored Uruguay Round of global trade talks.

Under the proposal, Japan will be exempted from tariffication of rice imports for a grace period of six years, in return for which it will import 400,000 to 800,000 tons of rice a year as "minimum access" to imports.

The ministry is seeking to expand the scale of rice farming by increasing the minimum size of a paddy field to one hectare from the present 30 acres, the officials said.

Mechanization will also be promoted on rice farms through government-subsidized loans.

Domestic Rice Prices Increase on Free Market

*OW1201084994 Tokyo KYODO in English 0813 GMT
12 Jan 94*

[Text] Tokyo, Jan. 12 KYODO—Prices of popular brands of domestic rice sold from outlets outside government control have begun to rise again ahead of the full-scale debut of imported rice on the market in March, dealers reported Wednesday [12 January].

They said the price of Japanese rice began to rise at the beginning of the year, with the popular "koshihikari" brand harvested in Niigata Prefecture hitting a high of about 34,000 yen per 60 kilograms as of Wednesday.

Prices of other popular brands have risen 1,500-2,000 yen per 60 kilograms over the year-end levels, they said.

Rice imported from the United States and Thailand is expected to hit the domestic market in March.

The government has decided to import more than one million tons of foreign rice to make up for a shortage in supplies caused by 1993's poor harvest, the worst since the war.

A private rice market research organization said retailers are scrambling for popular brands of domestic rice ahead of the introduction of foreign rice.

The Agriculture Ministry, worried that the strong demand for domestic rice may disrupt the supply-demand balance, has instructed rice retailers to blend domestic rice with imports.

Fuji Discusses Funding Offsets for Tax Cut

*OW1201104194 Tokyo KYODO in English 1025 GMT
12 Jan 94*

[Text] Tokyo, Jan. 12 KYODO—The government must specify when an income tax cut would be offset before implementing such a step to boost the economy, Finance Minister Hirohisa Fujii said Wednesday [12 January].

For any bonds the government might float to pay for a tax cut, "a firm guarantee of repayment that everyone can understand" is necessary, Fujii told a regular press conference.

The timing must be concrete and dealt with in the same legislation as the income tax cut, he said.

Fujii seemed to leave open the possibility that the debt from an income tax cut could be covered by funding means other than a consumption tax hike, which socialists in the ruling coalition oppose.

"I have never used the term 'consumption tax,'" he said, but he praised a report by the government's Tax Commission, which calls for reducing the income tax burden and increasing direct taxation, which includes the consumption tax.

He said government and ruling coalition party leaders have not discussed specifics of funding an income tax cut.

Toshiba To Double Output of 16-Megabit DRAM

*OW1101113694 Tokyo KYODO in English 1002 GMT
11 Jan 94*

[Text] Nagoya, Jan. 11 KYODO—Toshiba Corp. said Tuesday [11 January] it will double its capability of producing 16-megabit dynamic random access memories (DRAMs) at its main chip-manufacturing base in Mie Prefecture.

Toshiba officials said its plant in Yokkaichi will have a capability of manufacturing two million chips of that type of DRAM every month by the end of the year.

They said the plant will need an investment of 20 billion yen and require 450 more employees, who will be transferred from nearby factories or newly employed, increasing the staff to about 1,000.

The 16-megabit DRAMs, used in advanced personal computers, are in strong demand from computer-related equipment makers, particularly in the United States.

Mitsubishi Develops Fullerene Film for Microchips

*OW1201110394 Tokyo KYODO in English 0755 GMT
12 Jan 94*

[Text] Tokyo, Jan. 12 KYODO—Mitsubishi Electric Corp. has developed a method to create an extremely thin film of single-crystal fullerene (C60) that can be vapor-deposited on base materials for possible practical use in semiconductors, a company spokesman said Wednesday [12 January].

He said that only much smaller crystals for scientific experiments have so far been made.

He said the 1 square-centimeter, single-crystal 15 nanometer-thin (one nanometer equals one-billionth of a meter) film, made by using the so-called ionized cluster beam (icb) method, is highly resistant to heat and radioactivity and has the potential for integration.

Details of the discovery will be announced at an academic meeting on fullerene to be held Thursday in Tokyo.

Mitsubishi Electric found in early 1992 that the next generation of carbon materials could be used for semiconductors.

The spokesman said the company will now try to develop a transistor device using the fullerene thin film.

Analysts say the material may also be applied to optical materials and catalysts, he said.

NTT To Test Optical Fiber Multimedia Network*OW1201105394 Tokyo KYODO in English 1016 GMT 12 Jan 94*

[Text] Tokyo, Jan. 12 KYODO—Nippon Telegraph and Telephone Corp. (NTT) will begin within a year a multimedia experiment with ordinary families using an optical fiber network system, the telecommunications giant said Wednesday [12 January].

Masashi Kojima, president of NTT, said at a press conference that Japan should boost such optical fiber network-based multimedia business as the United States has already launched an information superhighway project.

Kojima said, "we can't be a loser in the global competition in the telecommunications field."

U.S. President Bill Clinton's administration has begun setting up optical fiber network systems linking universities and institutional bodies.

NTT will start an experiment with an interactive information network using a cable television system. With the system, audiovisual information can be picked up through 250 channels.

The experiment will be carried out with ordinary families which will be equipped with necessary devices as well as optical fiber terminals.

NTT has announced a project envisaging that every family will have an optical fiber network system by 2015.

Mongolia**President Delivers New Year's Address***LD3112212593 Moscow ITAR-TASS World Service in Russian 1611 GMT 31 Dec 93*

[By ITAR-TASS correspondent Kim Boldokhonov]

[Text] Ulaanbaatar, 31 Dec—Despite the socio-political difficulties which Mongolia is going through, Mongolian society is completing the fifth year of democratic reform, having preserved its unity and political stability, President Punsalmaagiyn Ochirbat said. In his New Year address he said that the formation of the top state power structures have been completed on the basis of the new constitution and that foundations have been created for implementing the concept of division of functions between power structures, as recorded in the constitution.

However, many of the plans have not succeeded the president admitted. Therefore, the coming year should become "a turning point in the process of the stabilization and further development of the economy." The task of raising living standards is on the agenda, together with providing guarantees of their rights and freedoms to every citizen and ensuring peace and security.

As the process of reform in Mongolia is irreversible, so is its peaceful foreign policy, he said. It is our wish to continue developing mutually advantageous cooperation on equal terms with all states, including our neighbors - Russia and China. "As the president of Mongolia, I welcome the adoption of the new constitution by the citizens of Russia," he said.

Economy Reportedly Shrinks 8.1 Percent in 1993*OW1201133794 Tokyo KYODO in English 1127 GMT 12 Jan 94*

[Text] Ulaanbaatar, Jan. 12 KYODO—Mongolia's economy contracted 8.1 percent last year from a year before as the country's shift to a market-oriented economy continued to create confusion, the government's statistics bureau said Wednesday [12 January].

The statistics compilers also cited as a factor in the economic ordeal a decline in supplies from Russia of materials used for manufactured goods.

Cattle breeding, the nation's key industry, suffered a bad year due to the unusually cold spring, with the number of livestock plunging 520,000 to 25.17 million.

Industrial production tumbled 13 percent, while the jobless rate rose to 8 percent.

Retail prices saw a 2.8-fold increase. The price level was 18.4 times higher than 1991.

Last year's merchandise trade also shrank 10.5 percent from a year earlier to 722.4 million dollars in terms of value.

Exports totaled 360.9 million dollars and imports came to 361.5 million dollars, leaving the nation with a slight trade deficit.

Borrowings from international institutions and other countries amounted to 38.1 million dollars and grants 55.7 million dollars. Japan was the biggest donor, accounting for more than half of the borrowings and 37.7 percent of the grants.

North Korea**'Electronic Jamming' by U.S. Planes Reported***SK1201045394 Pyongyang KCNA in English 0415 GMT 12 Jan 94*

[Text] Pyongyang, January 12 (KCNA)—The U.S. imperialists on January 9 staged a provocative electronic warfare exercise against the northern half of Korea in the sky above South Korea with an overseas-based "EA-6" [expansion unknown] electronic jamming plane, according to military sources.

That day, a Pacific-based electronic jamming plane of the U.S. Seventh fleet, flying above Suwon, Hoengsong

and Chunchon of South Korea, jammed the areas. Synchronising with this, an "EH-60" [expansion unknown] electronic jamming plane based in South Korea created electronic jamming in the areas near the Demilitarized Zone along the Military Demarcation Line with the skies above Paju and Pochon as an operational theatre. In the wake of this, formations of Japan-based VTOL [vertical takeoff and landing] assault planes and pursuit-assault planes staged a drill of an intensive surprise attack on targets in the areas under electronic jamming.

This reckless war game reveals the bellicose nature of the U.S. imperialists as warmaniacs.

Yasir 'Arafat Sends Message to Kim Il-song

*SK1101051094 Pyongyang KCNA in English 0457
GMT 11 Jan 94*

[Text] Pyongyang, January 11 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea received a solidarity message from Yasir 'Arafat, president of the state of Palestine and chairman of the Executive Committee of the Palestine Liberation Organization, on the occasion of the New Year 1994.

President Yasir 'Arafat in the message expressed deep admiration at the great successes and development, progress and prosperity of the country achieved by the Korean people in all fields under the wise guidance of President Kim Il-song.

Saying that to denuclearize the Korean peninsula is conducive to consolidating security, stability and peace there and also in accord with security and peace of the world, he once again expressed full solidarity for the noble efforts of President Kim Il-song to denuclearize the Korean peninsula.

He expressed the belief that President Kim Il-song would strive together to strengthen and develop still further the bonds of friendship, cooperation and solidarity between the two peoples in their common interests for progress and prosperity.

He wished President Kim Il-song a long life in good health.

KPA Air Force Delegation Leaves for Iran

*SK1201123194 Pyongyang KCNA in English 1055
GMT 12 Jan 94*

[Text] Pyongyang, January 12 (KCNA)—An Air Force delegation of the Korean People's Army [KPA] led by General Cho Myong-nok left here today to visit Iran.

It was seen off at the airport by Lieut. Gen. of KPA Chong Kyu-ham and the charge d'affaires ad interim and the military attache of the Iranian embassy here.

Cuban Jurist, Diplomats Visit High School

*SK1201045594 Pyongyang KCNA in English 0421
GMT 12 Jan 94*

[Text] Pyongyang, January 12 (KCNA)—A friendship gathering with a visiting Cuban jurist was held at the Korea-Cuba Friendship Pyongyang Moranbong No. 1 Senior Middle School Tuesday.

Invited there were the Cuban jurist, Ms. Candelaria Rodriguez, and Cuban Ambassador to Korea Juan Jose Leon Vega and his embassy officials.

Kim Chin-pom, vice-chairman of the Committee for Cultural Relations With Foreign Countries and vice-chairman of the Korea-Cuba Solidarity Committee, and other officials concerned and teachers and students were present.

They saw an art performance given by school children and had a talk, deepening the sentiments of friendship.

People's Armed Forces Minister Meets Algerian Envoy

*SK1101050494 Pyongyang KCNA in English 0448
GMT 11 Jan 94*

[Text] Pyongyang, January 11 (KCNA)—Minister of People's Armed Forces O Chin-u met and had a talk with Algerian Ambassador to Korea Hanafi Oussedik who paid a courtesy call on him on January 10.

New Ambassador to Singapore Named

*SK1201043894 Pyongyang KCNA in English 0412
GMT 12 Jan 94*

[Text] Pyongyang, January 12 (KCNA)—Chon Ki-chol was appointed DPRK ambassador extraordinary and plenipotentiary to Singapore, according to a decree of the Central People's Committee of the DPRK.

Nepalese Party Leader Meets Ambassador

*SK1101071494 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 9 Jan 94*

[Text] (Madabu Kumalu Nepal), general secretary of the Central Committee of the Nepal Communist Party-United Marxist-Leninist, received Yim Hoe-song, our country's ambassador to this country, on 5 January.

At the meeting the general secretary said that he received this year's New Year address of the great leader Comrade Kim Il-song with a joyful mind and that through the address he came to know well the principle of Korea's reunification, the method of its realization, the essence of the nuclear issue that the imperialists have clamored about, and the prospects for solving the issue.

He continued: We fully support and welcome the great Comrade President Kim Il-song's New Year address. As in the past, the Nepal Communist Party-United Marxist-Leninist will, in the future, too, actively support the

struggle of the Workers' Party of Korea, the Government of the Republic, and the Korean people to solve the country's independent and peaceful reunification and the nuclear issue of the Korean peninsula fairly.

Foreign Press Urge Early Solution to Nuclear Problem

SK1101042894 Pyongyang KCNA in English 0416 GMT 11 Jan 94

[Text] Pyongyang, January 10 (KCNA)—World public and press strongly demand that the nuclear problem on the Korean peninsula be solved through DPRK-U.S. talks.

Luciano Pettinari, international secretary of the Italian Party for Communist Refoundation, said the United States is trying to justify its military threat to North Korea on the pretext of "preventing" the latter's "nuclear program," but could convince nobody of it. It is foolish of the United States to try to force "sanctions" on North Korea through the UN Security Council, he said, adding:

The point in question is that nuclear warheads aimed at the North and more than 40,000 U.S. troops present in South Korea pose a greater threat than a feasibility of North Korea's "nuclear program".

S.J. Mabulla, chairman of the Scientific and Technical Association of Tanzania, said that if the United States wants to save its face as a great power, it had better honestly respond to talks with the DPRK.

Noting that if the United States truly want a solution to the nuclear problem, it must sincerely accede to talks, the Radio Reloj Nacional of Cuba said that a peaceful solution of the nuclear problem depends entirely on the attitude of the United States.

The Swiss paper UNSERE WELT said that the United States should renounce its policy hostile to the DPRK and the nuclear issue on the Korean peninsula be settled through DPRK-U.S. talks.

Commentator on Japanese 'Rightwing Reactionaries'

SK1201115194 Pyongyang Korean Central Broadcasting Network in Korean 0827 GMT 12 Jan 94

[NODONG SINMUN 12 January commentator's article: "We Warn Japanese Rightwing Reactionaries"]

[Text] The Japanese right-wing reactionaries' anti-Republic maneuvers are becoming more grave with each passing day.

By recently bringing to the front experts in Korean issues and the press, they are repeatedly waging smear and defamation against our socialist system, and are speaking ill of us by talking about our so-called economic difficulties and so forth.

Moreover, they are rashly acting to slander even our system. They also openly revealed the ambition for military reinvasion of our country.

The new state advocates [sin kukka chuuija], like Ozawa, representative of the Japan Renewal Party; and Nakanishi, former director general of the Japan Defense Agency, branded us as No.1 imaginary enemy by maximizing our nuclear issue and missile threat. They said that in the event a state of emergency is created on the Korean peninsula, they will cope with it jointly with Japan, the United States, and South Korea as one. They even made absurd and bellicose remarks that a preemptive attack should be the basis of Japan's national strategy. Some media also joined this.

As soon as it greeted the new year, the NIHON KEIZAI SHIMBUN reported that because our country is a most dangerous and entirely unpredictable nation, Japan, as its neighbor, should not forget its existence, and that Japan would participate in war on the Korean peninsula.

As has been proven, the Japanese right-wing reactionaries and some media have lost their discretion and are maliciously slandering us.

Regarding such an act by the Japanese reactionaries as a challenge to us, we consider it a grave act.

The anti-Republic smear campaign of the Japanese reactionaries is a product of the consciousness of crisis of those who are struck with terror at the might and invincibility of the anthropocentric socialist system of our country.

In recent years, socialism was frustrated in some countries and capitalism was restored. Cheering this, the imperialists are scheming to eliminate socialism from the earth forever and their spearhead has been directed at our Republic.

Our people, however, are vigorously accelerating socialist construction by upholding the banner of chuche socialism and by overcoming repeated difficulties even amid political and military pressure, threat, and economic blockade of the enemies.

The superiority of ever-victorious socialism in our country and the might of chuche Korea have been fully demonstrated. This worked as encouraging might to the world's people who are fighting for the socialist cause—the cause of independence.

A number of reactionaries, who ran amok to smash our socialism, crumbled to the ground by themselves.

Nevertheless, the Japanese reactionaries are trying maliciously to detract from the attraction of our socialism and isolate and stifle us. This is one of the reasons they are stubbornly resorting to the hostile, false propaganda aimed at besmirching the dignity and authority of our Republic, while distorting facts and reversing black and white.

This proves that the Japanese reactionaries are the most atrocious enemy of socialism. It is no doubt that if they continuously resort to anti-Republic and antisocialist maneuvers, they will be subject to stern denunciation as the enemy of all of the world's progressive people who are advancing toward socialism.

If those who are regarded as quick-witted [yaksa pparuda] people act foolishly ignoring the solemn reality existing in front of them, they will only be reflected as pitiful existence to the people.

It is a nasty habit of the Japanese reactionaries to try to attain their sinister aims by vilifying others. Today prospects opened for the solution of the nuclear issue on the Korean peninsula.

As has been reported, holding the third round of talks, our country and the United States agreed to settle in a package [ilgwol tagyol] the issues for the essential solution of the nuclear problem.

Many countries in the world and progressive people welcome such developments in the situation.

Even political quarters, social circles, and academic sectors in Japan raised voices demanding the solution of the nuclear issue on the Korean peninsula and improvement of DPRK-U.S. relations.

Nevertheless, only the Japanese right-wing reactionaries and their followers are opposed to this. The Japanese right-wing reactionaries are all militarists and revanchists obsessed with an irresistible zeal for reinvasion. They are stepping up their moves to turn Japan into a military power and arm it with nuclear weapons and have justified this by raising the fiction about our nuclear threat and missile threat.

If the nuclear problem on the Korean peninsula is solved and DPRK-U.S. relations are improved, the Japanese reactionaries will be unable to use this fiction any more as an excuse.

This is the reason why the Japanese reactionaries are trying hard to hamper the solution of the nuclear problem on the Korean peninsula and the improvement of relations between the DPRK and the United States.

Japan's attempt to be a military power and to arm itself with nuclear weapons does not originate from someone's threat but entirely originates from the Japanese militarists' demand for realizing the ambition for overseas aggression. The Japanese reactionaries regard the Korean peninsula as their first target. This is actually proven by fact—the Japanese right-wing reactionaries have not hesitated to say that if an emergency situation takes place on the Korean peninsula, a preemptive attack should be basic in the state's strategy and Japan will participate in the war on the Korean peninsula.

In the past, the Japanese imperialists occupied Korea for approximately 40 years and imposed innumerable miseries and sufferings on the Korean people. Our people

have not forgotten the Japanese imperialists' atrocities of sanguinary slaughters and their cruel activities of exploitation and plunder. Our people cannot refrain from expressing wrath at the Japanese imperialists.

If the Japanese reactionaries have a bit of conscience, they should truly apologize to our people for the great miseries and sufferings and should compensate for them. Instead of liquidating the past full of crimes, however, the Japanese reactionaries are running wild through thick and thin in a bid to achieve the ambition for the great East Asia coprosperity sphere by reviving the past.

The Japanese reactionaries' way of thinking and position are not different from those of the Japanese imperialists at all. We cannot but point out that the Japanese right-wing reactionaries' false propaganda against the DPRK is aimed at making Japan's politics reactionary and fascist and at obstructing the improvement of DPRK- Japanese relations. On the pretext of the threat from North Korea, they are trying to pressure those who call for improvement of DPRK- Japanese relations.

Today's reality shows that if the Japanese Government authorities continue to leave alone the right-wing reactionaries to run wild recklessly, Japan would be made all the more reactionary and thereby the Japanese people themselves would suffer therefrom, and then, the neighboring countries would not be safe either.

The more the Japanese reactionaries adhere to the stratagem against the DPRK, the more this proves the validity of our socialist cause. No false propaganda and reckless military strength obliterate [malsal] the socialism of our own style centered on the popular masses, which brilliantly gives off its ray.

The Japanese reactionaries are conducting the activity to eliminate someone, without considering the single-hearted unity among the leader [suryong], the party, and the masses and the might of our socialist self-reliant national economy and the self- defense in the national defense. This reminds us of the saying, Fools rush in where angels fear to tread. The Japanese right-wing reactionaries should give up the foolish thought—like breaking a rock with head.

Only fools can conduct excessive proud activity. Our people and People's Army are closely watching with a high degree of vigilance the Japanese reactionaries' anti-DPRK and antisocialist maneuvers. Our people will never pardon those who are trying to impair the national dignity.

We solemnly warn the Japanese reactionaries: If the Japanese reactionaries constantly persist in the reckless anti-DPRK and antisocialist maneuvers, they will not get good results. They must stop acting rashly.

Chongnyon Central Meeting Held in Tokyo*SK1101115594 Pyongyang KCNA in English 1111
GMT 11 Jan 94*

[Text] Tokyo, January 10 (KNS-KCNA)—A central meeting of activists of the General Association of Korean Residents in Japan (Chongnyon) was held here Monday to thoroughly implement the tasks facing Chongnyon in 1994 in hearty response to the New Year teachings of the great leader Generalissimo Kim Il-song.

A message of greetings sent by the great leader Generalissimo Kim Il-song to Han Tok-su, chairman of the Central Standing Committee of Chongnyon, on the new year was read out at the meeting.

Yi Chin-kyu, first vice-chairman of the Chongnyon Central Standing Committee, addressing the meeting, said one of the most valuable achievements made by Chongnyon in its work in 1993 was that officials of Chongnyon and compatriots in Japan came to cherish deep in mind as never before the pride and honor of having and following dear Comrade Kim Chong-il as their illustrious leader.

Noting that 1994 is indeed a meaningful year preceding the 50th anniversary of August 15 national liberation, the 40th founding anniversary of Chongnyon and the 17th meeting of Chongnyon, he elaborated on the main tasks of the year.

He stressed that Chongnyon founded and built by the great leader should develop into an overseas Koreans organisation of *chuche* type unfailingly loyal to the dear leader, a more powerful and viable organisation which struck its roots deep among the Koreans in Japan, generation after generation.

He underscored the need to arouse all the compatriots in Japan in the work to defend their national rights and upgrade democratic national education and vigorously conduct a drive to implement the "10-point programme of the great unity of the whole nation for the Reunification of the country" as an all-compatriots one and decisively step up external activities to increase the ranks of supporters and sympathizers among the Japanese people.

Officials of Chongnyon expressed their determination on the new year at the meeting.

The meeting adopted a letter to Generalissimo Kim Il-song.

Pomminnyon Proposes 1994 as Year of National Unity*SK1101104894 Pyongyang KCNA in English 1005
GMT 11 Jan 94*

[Text] Pyongyang, January 11 (KCNA)—A message came to the North side headquarters of the National Alliance for the Country's Reunification (Pomminnyon)

on January 7 from the overseas headquarters of Pomminnyon, proposing to set 1994 as a year of great national unity for the reunification of the country.

The message says that when the allied foreign forces led by the United States invented a "nuclear suspicion" against the North and successively raised hysteric nuclear and war clamours one after another from the beginning of last year on that pretext in a bid to inflict the holocaust of a nuclear war on the territory of the homeland, Pomminnyon lifted up voices of anti-war and peace at home and abroad together with all the fellow countrymen, defending the banner of national independence.

The new year 1994 is a very meaningful year, one year to go till the first year of reunification which Pomminnyon declared before the nation when raising the anchor to set sail, the message says, and continues:

The new year has come, but reunification will not come by itself for us, and no outside forces will make a present of reunification to our nation.

The United States, on the pretext of the invented "nuclear suspicion" against the North, is creating an atmosphere of distrust and confrontation within our nation and increasing the political and military tensions. Taking advantage of it, the South side's authorities are resorting to all despicable means and methods like opening the rice market, on which the right of peasants to existence hinges, to the United States, while persistently trying to maintain an "international cooperation system" to harm and stifle the fellow countrymen.

The present-day situation requires that all our fellow countrymen vigorously advance along the patriotic road of reunification, more firmly united than before under the banner of great national unity.

The overseas headquarters of Pomminnyon respectfully proposes to the South and North sides to set 1994, the eve year of 1995, the first year of reunification, as a year of great national unity for national reunification and jointly conduct the movement to unite the whole nation as one.

We firmly believe that the call of the overseas side proposing the new year as a year of great national unity for national reunification will meet with full support and response from the Pomminnyon organisations in the South and North.

Kim Yong-sam's 'Civilian Administration' Criticized*SK1201122794 Pyongyang KCNA in English 1054
GMT 12 Jan 94*

[Text] Pyongyang, January 12 (KCNA)—NODONG SINMUN today carries an article titled "Scores Must be Settled With Fascist Regime."

Noting that though nearly a year has passed since the Kim Yong-sam regime made its appearance, styling itself a "civilian government," nothing has changed in South Korea, the author of the article says:

As for the Kim Yong-sam puppet regime, it is the "second-term fascist government of the Sixth Republic", an offspring of the "Sixth Republic" of No Tae-u who made himself infamous with treacheries, fascism and murder.

In advertising "civilian administration," Kim Yong-sam the traitor has sought to veil the ugly color of his regime, not to shape any civilian politics.

What the Kim Yong-sam group has done under the "civilian" veil has been to put the people under heavier yoke of colonial slavery and bind them tighter to fascist chains, to drive the economy and the people's living to the worst phase with deceptive "reforms" and bring the situation of the country to the brink of war.

With the traitorous and fascist nature of the "civilian" regime and the fictitious nature of the "reforms" advertised by it fully revealed, the South Korean people have nothing to expect from it. What they have to do now is to finally settle scores with the false "civilian" regime.

The crafty "civilian" dictatorship is more heinous than the brutal military dictatorship and the former's consequences are more serious.

Kim Yong-sam is a rare fascist, warmaniac and traitor who would unhesitatingly turn the whole of South Korea into a sea of blood and plunge the nation into a nuclear holocaust for his personal comfort and distinction and maintenance of his power.

The Kim Yong-sam fascist clique is destined to meet a disgraceful doom in face of the strong resistance of the pro-reunification democratic forces.

Pyongyang Radio on 'Fascist Regime'

*SK1201133994 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 11 Jan 94*

[Text] Now, after one year has passed since it emerged under the veil of a civilian administration, the current South Korean regime has fully revealed its face as a group of civilian fascists after completely taking off their masks.

The paper of pannational workers in South Korea questioned if the Kim Yong-sam government is truly a civilian government, and wrote that if the Kim Yong-sam government is truly a civilian government, it should prove that it differs from the Chon Tu-hwan and No Tae-u military governments. However, it is not different from a military regime. The traitorous nature of the civilian regime has been intensively exposed.

It is not an accident that the South Korean people brand and condemn the Kim Yong-sam puppet regime as a

fascist regime far surpassing the Fifth and Sixth Republics. If the South Korean ruling bunch wants to carry out genuine civilian politics, it should first abolish the National Security Law, which infringes upon and obliterates the people's political rights and poses an obstacle to national reunification.

The Kim Yong-sam puppet clique, however, is maintaining intact the National Security Law—a remnant of a confrontational era and military dictatorship that instigated anticommunism and confrontation—and committed antireunification and antinational acts. By wielding this law, it is cruelly oppressing the people's struggle for independence, democracy, and reunification.

One example is that in May 1993 the fascist ring, by mobilizing more than 100,000 police forces, atrociously suppressed the struggle of youth, students, and citizens demanding revelation of the truth of the Kwangju incident and punishment of those responsible for the incident, and injured people three times more than that of the Sixth Republic.

At the end of May 1993, the civilian government viewed it as a crime that South Korean youth and students wanted to participate through an international telephone line in the first cochairmen delegation's meeting of the National Alliance of Youth and Students for the Country's Reunification [Pomchonghangnyon] and suppressed them by exercising the National Security Law. On 12 June, it mobilized more than 12,000 combat police to block the northward road of South Korean youth and students advancing to Panmunjom in order to attend North-South student talks, and arrested more than 370 of them on the spot.

The civilian fascist regime claimed that the holding of the Fourth Pannational Rally in Seoul hosted by the South Korean reunification and patriotic forces is also a violation of the National Security Law and committed the criminal act of blocking the rally.

With the National Security Law still in force, numerous reunification and patriotic figures have been imprisoned and are moaning in 222 police stations, over 3,400 police branches, and hundreds of prisons across South Korea. According to the data, which was even reduced by the authorities, the South Korean prisons are overflowing with prisoners numbering 60,000 to 70,000.

That the civilian regime is only in name is also proven by the fact that the Kim Yong-sam ring, like previous military fascist dictators, has not disbanded the Agency for National Security Planning [NSP]—the general headquarters of fascist suppression—despite the people's stern denunciation, but assumes it as a shield for its survival.

Although the Kim Yong-sam puppet clique, forced by the people's resistance, publicized the reduction of the NSP, in actuality, it transferred some of the NSP's

functions to various offices and agencies of the administration, and posted others in research institutes it newly organized. Moreover, it newly established the Anti-North Strategic Planning Bureau and reorganized and expanded the NSP's structure, thus committing a crime.

Presently in South Korea, the NSP exists as an oppressive organization supporting the civilian regime, which is in a crisis. The civilian regime is instigating confrontation between fellow countrymen, and works out smear incidents one after another. Thus, it is running amok to suppress the patriotic reunification forces.

The South Korean people will never tolerate the civilian regime, which follows the tracks of the Fifth and Sixth Republics, and will sternly punish it without fail.

Commentary Decries Kim Yong-sam Talk With Ex-Presidents

SK1201040394 Pyongyang Korean Central Broadcasting Network in Korean 1150 GMT 11 Jan 94

[Commentary by Chong Pong-kil: "Undisguised Collusion With Former Dictators"]

[Text] According to a South Korean radio report, on 10 January, the puppet traitor Kim Yong-sam, in the so-called capacity of president, met with Choe Kyu-ha, Chon Tu-hwan and No Tae-u, who were in the position of puppet president a long time ago, and exchanged views on so-called national administration.

In the meeting, the puppet traitor explained the so-called supreme goal of national administration and raved that he will continue pursuing change and reform in the future, that he will work in a fair and square manner, and so forth. Traitor Kim Yong-sam also asked for their active cooperation.

Expressing sympathy with this, traitors Chon Tu-hwan and No Tae-u said that they will not spare active cooperation and support and that traitor Kim Yong-sam's broad-mindedness will contribute to new political culture, thus praising him.

This illustrates that the puppet traitor Kim Yong-sam has not parted from dictators of the Fifth and Sixth Republics but has become the same gang member. This is unbearable mockery and challenge to the South Korean people who demand liquidation of the Fifth and Sixth Republics' dictatorship and realization of social democracy.

As is known to all, the South Korean people, only if they hear the names of traitors Chon Tu-hwan and No Tae-u, become tense with indignation against intolerable crimes of massacre and fascist repressive maneuvers they committed against fellow countrymen.

Traitor Kim Yong-sam's meeting with Chon Tu-hwan and No Tae-u military hooligans, who are notorious as

peerlessly atrocious murderers and fascist tyrants, itself evoked surging indignation of the South Korean people.

The puppet traitor's criminal act again proved that the reform drive he has been loudly talking about is a cunning trick to deceive the South Korean people.

To carry out reform in South Korea, one should, above all, eradicate dictators together with the military fascist rule, and should abolish fascist evil laws including the National Security Law, a remnant of the military fascist rule, as well as repressive organizations including the Agency for National Security Planning.

Nevertheless, traitor Kim Yong-sam further strengthened them, instead of abolishing them, and bestially oppressed the people's just struggle for independence, democracy, and reunification by wielding fascist evil laws and mobilizing repressive forces. Not satisfied with supporting and protecting the Fifth and Sixth Republic dictators, traitor Kim Yong-sam met with the rascals and asked for their cooperation, thus acting rashly.

A South Korean broadcast reported that during the meeting between Kim Yong-sam, No Tae-u, and Chon Tu-hwan, heart-to-heart dialogue and jokes were exchanged between them.

The fact shows that puppet traitor Kim Yong-sam came into collusion as one with the Fifth and Sixth Republic dictators, instead of parting from them, and again implemented the full-scale military fascist terrorist rule in South Korea under cooperation of former dictators from long ago.

Feeling very grateful to puppet traitor Kim Yong-sam, traitors Chon Tu-hwan and No Tae-u went so far as to talk about his broad-mindedness.

The filthy behavior of the puppet traitor Kim Yong-sam who fondly talked with Chon Tu-hwan and No Tae-u, objects of the South Korean people's indignation and hatred, can be done by only a peerless political prostitute and expert betrayer, and it can never be tolerable.

The puppet traitor Kim Yong-sam said as if he had worked for something appreciable for the past 10 months and said he would work in a clean and dignified manner in the future, too. This is also a shameless deceit.

What the puppet traitor Kim Yong-sam has done for the past 10 months was nothing more than treachery and selling the county. It is traitor Kim Yong-sam that has pursued the North-South confrontation and war, not the fatherland's reunification that all fellow countrymen earnestly desire. It is also traitor Kim Yong-sam that cut off the life line of the six million South Korean farmers and South Korean agriculture and has pushed its overall economy into a catastrophic crisis by opening the rice market, which even preceding dictators could not dare to open.

Traitor Kim Yong-sam has been frenzied to bring a nuclear calamity to the nation, cruelly infringed upon the

South Korean people's right to live, far from protecting their freedom and right to democracy, and pushed them into the greatest misery. It was a nonsense that he said as if he had worked for something and said he would work in a clean manner in the future.

Just like we cannot expect charity from a wolf, there is nothing to expect from traitor Kim Yong-sam who makes it his business to sell the country and the nation.

Traitor Kim Yong-sam is dashing into treachery harder and harder as days go by.

Realities show that the South Korean people cannot avoid their misfortune and tragedy but be driven to face a worse slavish destiny of a colony as long as they leave traitor Kim Yong-sam as he is.

The South Korean people will definitely deal a hard blow to traitor Kim Yong-sam who is trying to dash into a road of crueler fascist oppression in collusion with former dictators.

Traitor Kim Yong-sam should clearly be aware that the superficially attractive pretense of civilian government and honeyed words can no longer work. He had better resign his post of power before being given a stern trial by the people.

Foreigners Cited on 'Self-Reliance, Fortitude'

*SK1101042094 Pyongyang KCNA in English 0411
GMT 11 Jan 94*

[Text] Pyongyang, January 10 (KCNA)—Foreigners who visited Korea were struck with wonder at the revolutionary spirit of self-reliance and fortitude of the Korean people.

Lectooraj Chandramun, president of the Mauritius Communist Party, said the Korean people have brought about great changes with the *chuche* idea and the revolutionary spirit of self-reliance.

Visiting Korea again some 20 years past, he said he never imagined that such great changes as he saw today could take place there. "I was really surprised at the great reality beyond imagination, at the high-rise buildings standing in a row, magnificent grand monuments, modern factories and rural villages," he said.

He stressed it is the unbreakable strength of the Korean people armed with the *chuche* idea and their revolutionary spirit of self-reliance that have enabled them to make such great achievements under the conditions of national division and in face of ever-more malevolent moves of the imperialists to isolate and stifle socialism.

Genaro Ledesma Izquieta, chairman of the People's Front of Workers, Peasants and Students of Peru, after visiting the Three-Revolution Exhibition, said the Korean people are making everything needed by their own efforts on the basis of the independent national economy.

P.C. Sharma, chairman of the International Study Centre for the *Chuche*-Oriented Mass Media in Nepal, had this to say:

The revolutionary spirit of self-reliance is an indomitable faith of the Korean people hardened through a long-drawnout struggle.

They manufactured lorries, tractors and machine tools by highly displaying the revolutionary spirit of self-reliance in the difficult postwar period when everything was destroyed.

The West Sea Barrage, the May Day Stadium and other amazing world's level magnificent grand monumental edifices have been created by the Korean people themselves.

It can be said that the Korean people's history of creation and construction is a history of self-reliance.

The chairman of the February Revolutionary Party of Paraguay said that as they have an unshakable revolutionary spirit of believing in their own strength and living by their own efforts, the Korean people are vigorously advancing without the slightest vacillation in the present complicated international situation.

Daily Calls for Dynamic Advance in 'Spirit of Chollima'

*SK1101050894 Pyongyang KCNA in English 0454
GMT 11 Jan 94*

[Text] Pyongyang, January 11 (KCNA)—NODONG SINMUN today carries an editorial headlined "Let us Dynamically Advance in the Spirit of Chollima Spurred on by the 'Speed of the '90s.'"

What is important in effecting a new revolutionary upsurge in all sectors of socialist construction in hearty response to the New Year address of the great leader Comrade Kim Il-song is that all the officials, party members and working people make continued innovations and uninterrupted progress in the spirit of Chollima spurred on by the "speed of the '90s," the editorial says, and continues:

To make continued innovations and uninterrupted progress in the spirit of Chollima spurred on by the "speed of the '90s"—this is an important militant slogan set by the Workers' Party of Korea.

The party set the next three years as a period of adjustment and put forward militant tasks to secure a new base for reaching higher levels of socialism by implementing its revolutionary economic strategy.

Each time they were faced with difficult and vast tasks in socialist construction, our people recorded the history of socialist construction with heroic feats, closely united around the party. In the postwar period when everything was destroyed and no bricks were left unbroken, our people brought about a great upswing of Chollima,

producing what was lacking and finding out what was insufficient in the revolutionary spirit of self-reliance and hard struggle in reliance on themselves. In this way, they successfully built a socialist power independent, self-sufficient and self-reliant in national defence.

The spirit of Chollima spurred on by the "speed of the '90s" is a new speed of progress in socialist construction with the spirit of Chollima in the postwar period plus the revolutionary zeal and indomitable fighting spirit in the '90s. This reflects the noble intention and unshakable will of our party to make the first year of the period of adjustment an occasion of a great advance in socialist construction by successfully inheriting the tradition of the great upswing of our revolution.

'Great Upsurge' in Coal Production Noted

*SK1201043394 Pyongyang KCNA in English 0407
GMT 12 Jan 94*

[Text] Pyongyang, January 11 (KCNA)—Coal miners of Korea are effecting a great upsurge in production from the beginning of the new year.

In his New Year address the great leader President Kim Il-song set forth a task to decisively increase production by making effective use of the existing production foundation and creating production capacity still more in the coal industrial sector which must advance ahead of the other sectors of the national economy.

In several days of the New Year alone coal miners in different parts increased results of capital tunnelling 1.2 times, preparatory tunnelling 1.3 times, test drilling 1.4 times and coal production 1.2 times, compared with the corresponding time of the previous month.

The Anju District coal mining complex is overfulfilling its daily plan by more than 7 percent these days by operating mining equipment at full capacity.

The Suncheon District coal mining complex which last year tunnelled over 7,000 metres more than the previous year has given definite precedence to tunnelling from the beginning of the year.

The Sinchang coal mine of the complex has carried out its daily tunnelling plan at 130 percent in the New Year up until now.

The Tokchon and Pukchang District coal mining complexes have secured new reserve cutting faces and augmented the utility rate of mining equipment to boost coal production to a high level.

Especially, the Chenam coal mine of the Pukchang District coal mining complex this year set itself a goal of increasing coal production 50 percent up on last year and is conducting a vigorous high-speed tunnelling drive.

The coal miners there last year produced 120,000 more tons of coal than the previous year through the introduction of a belt conveyer line in transport and modernization of mining equipment.

The South Hamgyong Provincial, Saeppyo, Onsong, Myongchon and Kangwon Provincial district coal mining complexes are fulfilling their daily plans at 120 to 130 percent by highly displaying the revolutionary spirit of self-reliance and fortitude.

New coal mines and pits are under construction vigorously in Anju, Suncheon and Pukchang areas and North Hamgyong Province which have rich deposits and good mining conditions.

Agriculture, Construction Progress in Kangwon

*SK1101044794 Pyongyang KCNA in English 0430
GMT 11 Jan 94*

[Text] Pyongyang, January 10 (KCNA)—Kangwon Province situated in central eastern Korea is changing its appearance.

In recent years, the province has seen the commissioning of the Kumgang motor joint venture company, the Wonsan export garment factory, the Anbyon granite factory and many other industrial establishments, the reconstruction of the Munpyong smelter, the Tongchon export fisheries station and the Anbyon ceramic factory and the expansion of their capacities.

The industrial output has been on the yearly increase in the province. Last year's industrial output was 8.6 percent above the previous year.

It has consolidated the foundation of agricultural production in reliance upon its own farm machine production base capable of manufacturing tractors and motors. Grain output has risen systematically. The grain harvest last year was 30 percent up on the previous year.

A progress has been noticed in the fisheries which hold a big proportion in the economic structure of the province. The Wonsan and other fisheries stations have received more 3,750-ton stern trawlers and other fishing boats and the area of the sea culture has been largely expanded.

The cities and rural villages have taken on new looks.

The province built dwelling houses for nearly 7,000 families last year.

High-rise apartment houses of tower, folding screen and other styles have been built in Tokwon and Kalma districts and other places of Wonsan, the seat of the province, adding beauty to the port city of culture.

Multi-storied houses for hundreds of families and parks and recreation grounds have made their appearance in the seats of Kosan, Sepo, Tongchon and other counties.

Rural villages have changed beyond recognition as socialist modern villages. Pongsan-ri, Anbyon County,

where multi-storied houses supplied with gas are standing in forests of persimmon trees looks like a canvas of picture.

The province with many beauty spots directs big efforts to the construction of tourist resorts. Last year, tourist hotels, cultural amusement and welfare facilities were built in scenic Mt. Kumgang, Songdowon seabeach and on the bank of lake Sijung.

The Wonsan-Mt. Kumgang express highway and other tourist roads are available in the province.

South Korea

Envoy To Visit Washington Before U.S.-North Talks

SK1101024994 Seoul YONHAP in English 0241 GMT
11 Jan 94

[Text] Seoul, Jan. 11 (YONHAP)—South Korea's chief envoy for nuclear affairs leaves for Washington on Wednesday [12 January] for bilateral consultations before the next North Korea- U.S. high-level nuclear talks, Foreign Ministry officials said Tuesday.

Amb. Kim Sam-hun and working-level aides will meet with Robert Gallucci, assistant secretary of state and top U.S. negotiator in the nuclear talks with Pyongyang, and other White House and administrative officials to tune their positions.

The next North Korea-U.S. high-level talks, expected soon after Pyongyang agrees to resume inspections by the International Atomic Energy Agency (IAEA), will be the third round of such meetings.

Seoul and Washington officials have said this meeting will discuss overall issues related to completely solving the North Korean nuclear problem, including U.S. relations improvement with the Stalinist state.

North Korean Embassy officials in Vienna held a second contact with IAEA headquarters Monday [10 January] and are said to be nearing an accord on resuming the inspections, suspended in March last year.

Another set of working-level talks between North Korea and the United States will precede the high-level meeting, and Kim will coordinate stances for both of these talks during his Washington trip, officials said.

Pusan Citizens, Students Protest U.S. Ruling on Diamonds

SK1201072894 Seoul KBS-1 Radio Network in Korean
0600 GMT 12 Jan 94

[Text] This morning, some 50 citizens and students belonging to the Pusan Alliance for Democracy and National Reunification visited the American Consulate located in Taecheon-tong, Chung-ku, Pusan and demanded that the United States apologize for the unfair

ruling recently imposed by a U.S. court against Ilchin Company, an enterprise that produces synthetic diamonds, and that it suspend the implementation of super Section 301.

An open letter to the Clinton administration declares that the U.S. court's ruling ordering the Ilchin Company to suspend the production of synthetic diamonds and abolish its production facilities, as well as implementing super Section 301, is an economic aggression act against small and weak countries in an effort to ease the economic crisis of the United States, which the Pusan Alliance for Democracy and National Reunification decided to struggle against.

DPRK Said 'Unlikely' To Resume Talks With Japan

SK1201033194 Seoul YONHAP in English 0219 GMT
12 Jan 94

[Text] Tokyo, Jan. 12 (YONHAP)—Pyongyang is unlikely to agree to resume talks with Tokyo on normalizing diplomatic relations because the North Korean leadership has a bad impression of Prime Minister Morihiro Hosokawa's cabinet, the YOMIURI SHIMBUN said Wednesday.

The daily quoted informed sources as saying that Pyongyang sees the Japan Renewal Party (JRP), the main force in Hosokawa's coalition government, as a lackey of the United States.

Further sullyng Pyongyang's impression of the Japanese leadership was the failure of the Social Democratic Party (SDP), which had been friendly with North Korea, to form a coalition with the JRP.

YOMIURI quoted the sources as speculating that this is the reason Chochongnyon (Federation of pro-Pyongyang Korean Residents in Japan) did not attend the SDP national convention on Tuesday.

Negotiations between North Korea and Japan, suspended in Nov. 1992, and exchanges between parties of the two nations were thus unlikely to resume in the near future, the article said.

It quoted a Foreign Ministry official as saying that it was an unexpected situation because the JRP and SDP had close relations with Pyongyang.

The two parties paved the way for the Pyongyang-Tokyo talks on normalization of ties after Shin Kanemaru, vice chairman of the then-ruling Liberal Democratic Party (LDP), visited Pyongyang in the autumn of 1990.

YOMIURI said that its sources were two SDP and JRP officials who had met with senior North Korean officials in charge of diplomacy since the Supreme People's Assembly renewed the North Korean leadership last month.

They said that the North Korean leadership considers relations with Japan "below zero," compared to inter-Korean talks or to its negotiations with Washington.

They quoted a Pyongyang official as saying that the Hosokawa government was worse than its LDP predecessor and the SDP cannot be considered friendly to the Workers' (Communist) Party.

This official called JRP Chairman Ichiro Ozawa a puppet of the United States, which he said dresses in the clothes of the United Nations, the newspaper quoted the sources as saying.

Russia Reportedly Exports Attack Submarines to North

SK1201100694 Seoul KBS-1 Radio Network in Korean 0930 GMT 12 Jan 94

[Text] The Japanese Tokyo TOKYO SHIMBUN reported on 12 January that the Russian Pacific Fleet Command decided to export four 2,100-tonne attack submarines currently based at Vladivostok to North Korea and that the necessary contract has already been signed.

The Tokyo TOKYO SHIMBUN quoted a high-ranking official of the Russian Pacific Fleet Command as saying that the export value was a secret because the contract was made under top secret instructions from the Moscow Navy Command.

Further Report

SK1201110994 Seoul YONHAP in English 1051 GMT 12 Jan 94

[Text] Tokyo, Jan. 12 (YONHAP)—North Korea has signed a contract with the Russian Far East-Pacific Fleet headquarters to purchase four Russian Fox-Trot-type submarines now in the Vladivostok naval yard, the Tokyo SHIMBUN here reported in a dispatch from Vladivostok on Wednesday [12 January].

The paper quoted a senior Russian fleet official as saying that the contract was concluded at secret instructions from the Naval Headquarters in Moscow and that he couldn't disclose the price of the 2,500-ton submarines.

The official added that ostensibly North Korea is buying the vessels for use as scraps.

Another fleet official said, however, that North Korea could update the submarines and create a new submarine flotilla or dismantle them to salvage parts for use in repairing those they already have.

The four submarines were built in the 1960s. The Russian Navy is known to possess 38 Fox-Trot-type conventional attack submarines.

Government Denies Report on North Secretary for South

SK1101064594 Seoul YONHAP in English 0548 GMT 11 Jan 94

[Text] Seoul, Jan. 11 (YONHAP)—A South Korean Government official denied Tuesday [11 January] a report that North Korean Workers' Party Secretary for South Korean Affairs Kim Yong-sun has been replaced with Kang Chu-il.

"Kang Chu-il was appointed director of the Reunification Front Department last year, but not secretary for South Korean Affairs. Kim Yong-sun seems to be still in office," he said.

"Usually, the party secretary is also a member of the party's Central Committee," another official said. "But since 1980, there has been no report that Kang was appointed a full member or alternate member of the Central Committee."

Kim was retained as chairman of the Reunification Policy Committee of the Supreme People's Assembly Standing Committee, a post traditionally held by the secretary for South Korean Affairs, at the Sixth Meeting of the Ninth Supreme People's Assembly late last year, according to the second official.

DP Chairman Prepared To Visit North, Meet Kim Il-song

SK1201042894 Seoul YONHAP in English 0139 GMT 12 Jan 94

[Text] Seoul, Jan. 12 (YONHAP)—Yi Ki-taek, chairman of the main opposition Democratic Party [DP], said Wednesday he is prepared to visit North Korea and meet with President Kim Il-song to help break the deadlock in inter-Korean relations.

"In the advent of the new world order, which will be dominated by new regionalism and economic hegemonism, the only way for the Korean people to survive is to attain early unification of their country," Yi told a New Year's press conference.

Declaring that South-North economic cooperation is the only way for both Koreas to survive in the world economic war, Yi urged the Seoul Government to pursue a parallel policy of resolving the North Korean nuclear issue and inter-Korean economic cooperation.

He suggested that South and North Korea open special areas for investment by both sides.

"The Democratic Party placed its overall goal for this year on preparing national systems for the era of internationalization," Yi said.

The party will work for political reform for clean politicking, reorganization of government agencies to cope

with internationalization, reform for economic structural organization, stability in ordinary citizen's lives and measures for farmers and fishermen, he said.

It will also try to realize an "era of localization," prepare for unification, and establish educational, cultural and environmental policies for the 21st century, Yi said.

With regard to the reorganization of government agencies, Yi said that the country could no longer expect to boost its competitive strength under current economic policy, which is only preoccupied with statistics for economic growth.

In order to open the way for revitalizing the economy, the country has to reorganize and strengthen government agencies in trade, science and technology, education and information fields, he said.

Yi proposed the formation of an emergency "pan-national" economic conference to be participated in by the government, political parties and economic organizations to solidify national strength.

He placed the party's top priority on stabilizing consumer prices and recommended a freeze on utility costs and other public fees, a reduction of value added tax, improvement for commodity distribution systems and cuts in production costs.

Pledging the opposition party to try its utmost to block the opening of the rice market to imports, Yi demanded that the government cancel the Uruguay round of trade talks and renegotiate agreements on agricultural and livestock trade.

The Democratic Party will never ratify the Uruguay Round agreement at the National Assembly, Yi said.

Commenting on a move to merge opposition parties, Yi said the Democratic Party will do its best to gather all opposition forces.

He also called for an extraordinary session of the National Assembly to discuss issues the legislature could not handle during the just-ended regular session. The issues include the so-called Dec. 12, 1979, coup d'etat-like incident, irregularities in the Yulgok military buildup program, and amendment of political laws.

'Taking Steps' To Visit Pyongyang

*SK1201083994 Seoul YONHAP in English 0815 GMT
12 Jan 94*

[Text] Seoul, Jan. 12 (YONHAP)—Yi Ki-taek, chairman of the main opposition Democratic Party, is reportedly taking steps to visit Pyongyang and meet with North Korean leaders on the nuclear issue and inter-Korean economic cooperation.

He is trying to get in touch with North Korea through a friend outside his party and studying the possibility of

meeting with a North Korean representative during a visit to Beijing around Jan. 20, according to people close to him.

His announcement on Wednesday morning that he wanted to visit North Korea in the new year was not idle talk, they said, but the manifestation of a strong desire to improve inter-Korean relations by meeting with President Kim Il-song.

When the plan is ready for realization, he will consult fully with the government, they added.

"I understand that he has not yet discussed his plan with the North Koreans," one source said.

Another source said Yi was discussing with the Chinese Government a plan to visit Beijing next week.

"The date of the visit may change because the schedule for his meetings with Chinese leaders has not been set," he added.

Democratic Party Spokesman Pak Chi-won denied that Yi will visit Beijing around Jan. 20, but said a friend was in Beijing to arrange a trip to China.

Commenting on the reactions of some Democratic Liberal Party leaders to Yi's announcement that he wants to visit Pyongyang, Pak said that they did not understand the proper role of an opposition leader in the effort for national unification.

"I hope that the government and its party will remember that President Kim Yong-sam made a similar announcement when he was in the opposition," Pak said.

Unification Minister on North-South Relations

*SK1201080394 Seoul MUNHWA ILBO in Korean
12 Jan 94 p 2*

["Exclusive interview" with Yi Yong-tok, ROK deputy prime minister and minister of the National Unification Board, by MUNHWA ILBO reporter Kim Kyo-man; place and date not given]

[Text] [Kim Kyo-man] How much of the work of the National Unification Board [NUB] have you been able to grasp since your appointment to head the NUB?

[Yi Yong-tok] I have grasped the entire organizational structure of the NUB and the work each department of the NUB is charged with. I am still studying the specific details of the policies and strategies related to the inter-Korean dialogue.

[Kim] Several days ago you mentioned the North Korean human rights issue, touching off some controversy.

[Yi] That confirmed for me, the fact that not enough of a national consensus about reunification strategy exists. Some newspapers supported my view in their editorials

and columns which led me to think that this was the general opinion, others criticized my view.

[Kim] You have been a career educator throughout your life. How does your background reflect upon your appointment as NUB minister?

[Yi] Indeed education is my area of specialization. I have regarded education in schools as my minor and education in society as my major. With that in mind, I founded the Korean Educational Development Institute and served as its first director for 10 years. In the early 1960's I met Mr. So Yong-hun and was involved in Red Cross work. Then I became involved in educational broadcasting. These experiences led to my taking up of positions like the chair of the Broadcasting Deliberation Committee and the first director of the Broadcasting Development Institute. I think that this, in addition to my time as the South's delegate to the North-South Red Cross talks prior to my appointment may have been taken into consideration in my selection.

[Kim] How long were you in direct contact with the North while serving as senior delegate to the Red Cross talks?

[Yi] That was from 1984 when the two sides had contacts over the relief goods for the flood victims until December 1985 when the 10th round of full-dress North-South Red Cross talks were held.

[Kim] What lessons did you learn from that experience?

[Yi] At that time, our primary objective was to hold talks. We accepted the flood relief goods only because that would enable us to hold talks. The talks were held, but failed to result in the improvement of inter-Korean relations. North Korea should be held responsible for this. On our part, we tried hard not to cause a break up in talks in order to avoid being blamed for the break up of talks. Meeting with the North delegates then, however, we were led to doubt the usefulness of meetings. I think it is now time for the North and the South to hold practical and substantial talks in order to achieve real reconciliation and to head for reunification. This is why I have stated that the days of avoiding words that might displease the North Korean side have now passed.

[Kim] What reunification policy will you promote?

[Yi] I will emphasize two aspects. The first aspect is forming an image of a reunified state which we must attain. To achieve this South and North Korea must work to show change simultaneously. Reunification through absorption means that one side will perish. What is important is that the two sides must show change and develop according to the current situation. Reunification must not be achieved with the result of the demise of one side. The legal system and mode of living must also change in preparing for reunification. Even though the South and North are of completely different systems, with a common goal, we can become close. I

believe that if this is carried out, reunification can be achieved and both sides can also survive.

Second is the resolution of the issue of separated families. South and North Korea are calling for reunification. Therefore, I believe that allowing families who have been separated for some 40 years without knowing if their families were alive or dead, is the most concrete and earnest way for reconciliation. If a plan for reconciliation is mapped out based on these two aspects, I believe that there will be no problem in the second and third stage of the government's three-stage reunification method.

[Kim] Many people are worried about the relationship between the NUB and the Agency for National Security Planning [NSP].

[Yi] I believe there is no problem between the NUB and the NSP. We cannot say that one is doing a good job and the other is doing a bad job because both organizations are working hard to achieve reunification. Since the NUB has primary control of the work to achieve reunification, I believe that the NSP must cooperate well with the NUB. NSP Director Kim Tok has already telephoned me on several occasions and expressed that the NSP will cooperate fully.

[Kim] Dissidents of the reunification movement are turning their attention to what you are saying and doing. How will you maintain your relations with them?

[Yi] Dissidents are people with diverse opinions. If they recognize the direction the government is pursuing to realize a reunified state, I believe that dialogue will be able to solve everything. On the other hand, I believe that it will be difficult to hold talks with people who reject the government's reunification effort and who try to overthrow our system. If the dissidents agree with the direction of the government's effort for reunification, I believe that the difference in views, no matter how wide, can be breached.

Government To Address Rights Situation in North

*SK1101002894 Seoul THE KOREA TIMES in English
11 Jan 94 p 2*

[Text] The government is working on a number of diversified ways to address the human rights situation in North Korea and will take them up step by step in the future, an official at the National Unification Board said yesterday [10 January].

In the initial stage, the source said, the government plans to call for improvement of human rights conditions in the North in cooperation with international organizations like Amnesty International and the International Red Cross.

"Through these bodies, Seoul would ask Pyongyang to allow visits by human rights inspectors and to stop torture and all other forms of maltreatment of prisoners," he said.

Another method is to have North Korea accept a human rights manifesto applicable to all member countries in return for economic cooperation when Northeast Asian multilateral security dialogue involving the North is set up, he continued.

"When inter-Korean exchanges and cooperation are promoted in earnest, the South could extend support to the North with emphasis on those areas which could be helpful in elevating the quality of North Koreans' lives," he said.

"At this stage, efforts could also be made to arrange the reunion of dispersed families by South and North Korea without linking it to political questions such as the nuclear issue," he added.

The source said that the Unification Board feels the need to think about a method to have the North Korean authorities release political prisoners and facilitate the reunion or meeting of dispersed families.

"Before their integration, West Germany paid 3,440 million marks in all to East Germany from 1963 until 1989 to get the communist regime to set free 34,000 political prisoners and allow the reunion of 250,000 displaced families," he noted.

Seoul, Tokyo Discuss Reduction of PRC Pollutants

SK1201083694 Seoul YONHAP in English 0800 GMT 12 Jan 94

[Report by Kim Tae-yong]

[Text] Seoul, Jan. 12 (YONHAP)—South Korea and Japan are studying ways to cope with acid rain and sulfurous acid gas coming on the wind from China, and this issue will be on the agenda when the Korea-Japan joint committee on environmental cooperation meets Jan. 17 in Tokyo.

Foreign and domestic studies show that airborne pollutants from China account for 30 percent to 50 percent of the acid rain that falls upon Korea and Japan, and Seoul signed environmental protection pacts with Tokyo and Beijing in June and October last year, respectively, to improve environmental cooperation with its neighbors.

No Chae-sik, president of the Korea Environmental Technology Research Institute, has proposed to President Kim Yong-sam that there be strict examination of pollutants from China as research by domestic and foreign scholars shows that China accounts for 30 percent of Korea's air pollution.

Sim Shang-ku, senior research scientist of the Environment Research Center in the Korea Institute of Science and Technology (KIST), says recent research by Japan's Central Research Institute for Electric Power Industries shows that at least 50 percent of the materials causing acid rain in Japan are from China.

The Japanese institute published the results of its research on Chinese pollutants in November 1992. It traced the roots of sulfureted ions, which cause acid rain, observed at 20 measuring points in Japan and found that 50 percent of the ions were from China, 15 percent from South Korea and the remainder from Japan.

Professor Kim Chong-uk of Seoul National University's Graduate School of Environmental Study said in a paper last year that the sulfurous acid gas produced in Beijing and two other cities and 14 provinces on China's east coast has a great effect on the Korean peninsula.

"About 92 percent of the sulfurous acid gas from China becomes acid rain while the remaining 8 percent affects the earth in the form of gas," he wrote. "Shandong and Liaoning Provinces, where factories are clustered, especially affect this peninsula very much."

If the wind blows from China, the acidity of the rain falling on Paengnyong island off the west coast reaches PH 5.0, he said.

South Korea is studying exactly how much sulfurous acid gas and acid rain is coming from China, and how much damage they cause.

Seeking precise data, the National Institute of Environmental Research will begin a three-year examination of air pollutants blown from China and acid rain, using planes, from spring. [sentence as received]

Professor Yi Kyong-chae of Seoul City University says that acid rain appeared only in Seoul and some industrial areas until three to four years ago. But these days, acid rain also falls in rural areas, including Kwangneung in Kyonggi Province and west Kangwon Province.

"Unless the government devises countermeasures against acid rain caused by pollutants coming from China as soon as possible, most of South Korea's pine trees will suffer irreparable damage," Yi says.

The reason for China's acid rain is that 76 percent of its total energy comes from burning coal, which contains a lot of sulfur. In 1991, China discharged 16.22 million tons of sulfurous acid gas into the atmosphere, about 15 times as much as South Korea.

China made rapid economic progress in 1992 and 1993, and the consumption of coal, of which it has an enormous amount, soared.

Seoul National University's Graduate School of Environmental Study expects that until 2022, when China's per capita gross national product (GNP) will reach 4,000 U.S. dollars, the amount of sulfurous acid gas will keep increasing.

In contrast, the sulfurous acid gas generated in Korea has been dropping since 1990, when desulfurization facilities and clean energy were introduced by industry.

As time passes, the damage Korea suffers from Chinese pollution will grow, according to researchers.

To reduce the pollution from China, the Environment Ministry has held three Northeast Asian environment conferences, but China appears reluctant to do anything about its emissions lest economic growth suffer and says that it lacks the capital and technology to deal with the problem.

In Europe, where 50 percent of airborne pollutants migrate across national boundaries, 33 countries signed the convention on transboundary air pollutants in 1979.

Canada and the United States concluded an agreement to sharply reduce air pollutants causing acid rain in 1990.

Aviation Talks With PRC Set for 17 Jan in Beijing

SK1201124194 Seoul YONHAP in English 1202 GMT 12 Jan 94

[Text] Beijing, Jan. 12 (YONHAP)—South Korea and China will have another round of working-level aviation talks here in Beijing on Jan. 17-19 to discuss the issue of concluding a bilateral aviation agreement, an informed source here said on Wednesday [12 January].

"Through their diplomatic channel, the two countries have substantially narrowed difference on the question of fixing an air control transfer point between them, which had in the past been a major obstacle to signing an aviation agreement," the source said.

The upcoming meeting, therefore, is expected to register a major progress, making it possible for the two countries to open a direct Seoul-Beijing air route within the first half of this year.

The source said that Seoul and Beijing have in effect agreed to draw the air control transfer point along 124 degrees of east longitude so far as the Seoul-Beijing route is concerned.

The 124-degree point was determined by the International Civil Aviation Organization (ICAO) in 1960 and advocated by South Korea. But, Beijing had rejected it in the past on the ground that the transfer point was set by an ICAO participated by Taiwan.

For the Seoul-Shanghai route, the two sides have tentatively agreed to keep the control transfer point at 125.2 degrees of east longitude as now.

They also decided to fly chartered planes only, instead of regular flights, along the Seoul-Shanghai route, the source said.

An official close to Chinese civil aviation authorities said prospects are not necessarily bright because China has set forth various conditions in return for agreeing to these.

"But, since both Seoul and Beijing feel the need to open a direct Seoul-Beijing route early, there is much possibility that a major breakthrough will be made at the coming talks," the official added.

Ferry Routes With PRC Scheduled To Open in April

SK1001093594 Seoul MAEIL KYONGJE SINMUN in Korean 10 Jan 94 p 27

[Text] Scheduled ferry routes between the ROK and PRC connecting Incheon and Dalian, and Pusan and Shanghai will be opened in April at the earliest.

According to the Korea Maritime and Port Administration and the related industry on 9 January, Choyang Shipping, representative company of the ROK consortium participating in the Incheon-Dalian ferry project, and (Dalian Deep Ocean Transportation Corporation), the PRC side's representative company, recently held a second-round working-level meeting in Seoul and agreed to open the route after deciding to establish the joint venture's head office, which was the biggest issue blocking the opening of the route, in the ROK while giving the PRC side the responsibility of financial manager. They also agreed to hold the third-round meeting within this month to make the final decisions on how to secure ships and when to begin the service.

The opening of scheduled ferry services between the ROK and the PRC had been agreed in the ROK-PRC maritime meeting held last year but it was delayed because the two countries insisted that the head office of the 50-50 joint venture should be located in their respective countries.

Vessels Begin Catching Pollack in Russian Waters

SK1001011994 Seoul YONHAP in English 0045 GMT 10 Jan 94

[Text] Seoul, Jan. 10 (YONHAP)—South Korean pollack fishing in Russian economic waters resumed Monday after a lapse of three years, with 32 vessels from 16 deep sea fishing companies casting their nets in the North Okhotsk Sea, off the North Kurile Islands and Southeast of Kamchatka peninsula, the fisheries administration said.

The resumption of pollack fishing will relieve the financial difficulties of the fishing companies as a smooth supply is expected.

The Russian Government approved a 30,000-ton quota for Korean fishermen in 1992 and a 150,000-ton quota in 1993, but prices were not agreed on at a Korea-Russia private meeting so fishing did not take place.

At a Korea-Russia private meeting in December in Moscow, both sides agreed Korean vessels would begin catching pollack on Jan. 10 in order not to miss the season and prices would be set later.

Group To Prevent Oil Spills in Asia Envisioned

SK1001102894 Seoul MAEIL KYONGJE SINMUN in Korean 10 Jan 94 p 2

[Text] In preparation for the possibility of a large-scale oil spill in the territorial waters off the Korean peninsula as a result of the increasing amount of oil transport via the sea, the government has decided to make efforts to establish a Northeast Asian cooperative system to prevent ocean pollution. These Asian countries include the ROK, North Korea, Japan, China, and Russia.

The relevant ministries, including the Ministries of Foreign Affairs and Environment and the Korea Maritime and Port Administration, said on 9 January that for this end, the government would participate in the Northwest-Pacific Ocean protection program, a regional cooperative system jointly led by the UN Environment Program and International Maritime Organization, and that it is positively considering signing an agreement to prevent ocean pollution.

Accordingly, the government will participate in a meeting of the program led by those five countries. This meeting is scheduled to be held in May for the first time. In the meeting, the government will ask other participating countries to establish a comprehensive information management system regarding the maritime environment in the Northwest-Pacific region, including the East Sea and the Yellow Sea, and to formulate an inter-state cooperative plan to prepare for a large-scale oil spill. It will give a high priority to this project.

Also, the government will hold the first working-level contact with Japan in Tokyo next month and mainly discuss plans to cooperate with Japan to prevent oil spills. The discussions will include "the conclusion of an agreement, the exchange of technology and information, and the exchange of manpower and equipment between the ROK and Japan for the prevention of ocean pollution" in case there is a large-scale oil spill on the waters.

Firms Win Exploration Rights in Australian Coal Mine

SK1201075694 Seoul YONHAP in English 0731 GMT 12 Jan 94

[Text] Seoul, Jan. 12 (YONHAP)—An international consortium whose members include a South Korean consortium, Mitsui Co. of Japan and Savage Co. of Australia won the exploration rights for a coal mine in Queensland from the Queensland State Government in bidding on Jan. 4, the Trade, Industry and Energy Ministry said on Wednesday [12 January].

The four members of the Korean consortium are Yukong Ltd., Dongbu Industry Co., Hyosung Corp. and the Korea Mining Promotion Corp., and they own 33.3 percent of the international consortium in equal shares.

The mine is 15 kilometers from a railway line, has an estimated 770 million tons of soft coal and covers an area of 475 square km.

It is the largest soft coal mine in the world in which Korean mining companies have a stake.

The Ministry predicted that the mine will produce between 4 million and 5 million tons of coal a year.

The Queensland government drilled 105 holes and finished exploration at a depth of 18,810 meters. The international consortium will drill 200 holes in three to four years.

The coal is suited for power generation and steel production.

Departure of Somali Peacekeeper Replacements Delayed

SK1201084294 Seoul YONHAP in English 0809 GMT 12 Jan 94

[Text] Seoul, Jan. 12 (YONHAP)—The main contingent of replacements for South Korea's peacekeepers in Somalia were grounded Wednesday [12 January] when their plane developed engine trouble and their departure was postponed, the Defense Ministry said.

The 170-man unit was to leave for Somalia to join the 80-member advance team that left last month.

The replacements will take over duties from the first unit, dispatched last summer as Korea's first participation in a U.N. Peacekeeping Operation. The Army Engineering Unit is mainly in charge of road repairs and construction.

Spanish Foreign Minister To Visit Seoul 16 Jan

SK0901072194 Seoul YONHAP in English 0559 GMT 9 Jan 94

[Text] Seoul, Jan. 9 (YONHAP)—Spanish Foreign Minister Javier Solana comes to Seoul on an official visit Jan. 16-18, and will sign sets of economic cooperation agreements.

Solana is to meet with President Kim Yong-sam, Unification Minister Yi Yong-tok and Defense Minister Yi Pyong-tae while in Korea.

Talks with Foreign Minister Han Sung-chu will be on political developments in their regions and ways to promote trade relations, officials said.

The foreign ministers will sign five pacts: An extradition treaty, agreement on avoidance of double taxation, investment guarantee agreement, economic cooperation pact, and cultural exchange agreement.

Solana's visit is the first by a Spanish foreign minister since Seoul-Madrid diplomatic normalization in 1950.

New Italian Ambassador To Arrive in Late Jan

SK1101003294 Seoul THE KOREA HERALD in English 11 Jan 94 p 2

[Text] New Italian Amb. Guido Martini will arrive in Seoul late this month, replacing Dino Volpicelli, who left for home Jan. 4 after serving three years and eight months here, the Italian Embassy announced.

Until recently, Martini has been serving as head of the secretariat of the undersecretary of state. He also worked as ambassador to Sri Lanka in 1987-1990.

The 58-year-old envoy joined the Italian foreign service in 1967 after graduating from the University of Rome with a law degree.

Volpicelli has been assigned the post of director-general of Latin American Economic Affairs Bureau of the Italian Foreign Ministry, the embassy said.

Nuclear Control Center, Technology Export Planned

SK1201042194 Seoul THE KOREA TIMES in English 12 Jan 94 p 3

[Text] The government is planning to establish a nuclear control center in preparation for the initiation of simultaneous South-North nuclear inspections on related facilities.

At the same time, it will push ahead with the export of construction, installation and operational technologies for nuclear furnaces to Southeast Asia and the development of new materials for aircraft.

These short- and long-term plans were contained in a Chongwadae [presidential offices] report submitted yesterday by Science and Technology Minister Kim Si-chung on his ministry's New Year policy programs.

According to Kim, South Korea has now emerged as the world's 10th largest user of nuclear power and it is high time that it engages in effective "nuclear diplomacy."

Along this line, he said, the "Nuclear Control Center" will be set up under the umbrella of the Korea Atomic Energy Research Institute (KAERI) to initiate preparatory measures for South-North nuclear inspections.

"In an effort to become more responsible in the application of nuclear technology, the center will concentrate on formulating new and improved policies," Kim explained.

In the area of research and development, the minister told President Kim Yong-sam that a total of 322.4 billion won will be invested into the development of new materials and precision chemical technologies.

"One of the main areas of emphasis in research is to localize technologies which are critical to the enhancement of the international competitiveness of the domestic agricultural industry," he elaborated.

The development of new integrated materials for aircraft will be tested and put into the commercial market by next year after necessary testing procedures are completed.

Along with the tangible research, the minister said 221 billion won will be invested until the year 2010 for the introduction of technologies which are on par with those in the world's seven most advanced countries.

Under the long-term plan, a total of 10 technologies related to bioengineering will be developed so as to help the nation gain a competitive edge in the international market, Kim observed.

He said his ministry will also focus on encouraging foreign research organizations to open up operations here so as to ignite joint research projects with local companies.

On the other hand, 40 of the nation's most qualified research personnel will be dispatched abroad to pick up advanced technologies for domestic application.

At the university level, the ministry will seek to increase the investment in basic sciences from the 7.6 percent last year to 12 percent in 1998, introducing such new areas of research as space technology.

Addressing issues surfacing as a result of the conclusion of the Uruguay Round negotiations of the General Agreement on Tariffs and Trade (GATT), Kim said the financing of research projects will be overhauled with particular emphasis on intellectual property rights.

The minister said a greater portion of the budget will be funnelled into the development of environment-related technologies such as alternative coolants to chlorofluorocarbons (CFCs) to halt further environmental pollution and assist in efforts to reverse the damage.

YONHAP Speculates on Foreign Ministry Restructuring

SK1101030194 Seoul YONHAP in English 0153 GMT 11 Jan 94

[Text] Seoul, Jan. 11 (YONHAP)—The Foreign Ministry is up for major self-surgery, but the doctors have different opinions on what to implant and what to excise.

Foreign Minister Han Sung-chu is said to be contemplating a restructuring to fit the Ministry more into the organizational mold of advanced countries. One close aide said that the idea was to "remove any bureau that no other country has and add new ones that most other countries have but we don't."

Two key proposals, prepared by different assistant ministers, agree on installing new bureaus while limiting staff overgrowth by reducing the number of superiors.

One of the proposals is to establish a diplomatic information bureau for more effective information gathering and in-depth analysis of developments around the world.

This proposal recommends what Foreign Ministry officials have long demanded—trimming at the top and widening at the bottom—by reducing the number of special-grade I and II ambassadors from the current 84.

The other proposal is to dramatically strengthen the Ministry's economic team by expanding from two bureaus into three.

Responsibilities will be divided to cover environment and technology issues, multilateral trade issues and bilateral trade matters.

To fill the added posts, the proposal recommends hiring 50 to 100 Koreans who have studied or reside abroad with high economic training backgrounds.

To balance out the bureau and staff increase, this proposal wants to merge the European Affairs Bureau with the Middle East and African Affairs Bureau.

The restructuring plan gained momentum soon after the foreign minister was retained in the cabinet reshuffle last month. It was one of the first things he said he will do after taking office in February last year.

But there is already opposition to both proposals, especially to the parts about merging the Regional Affairs Bureau and hiring overseas Koreans. The other recommendation, to diminish the number of special-grade ambassadors, has and will meet staunch opposition from high-level officials, according to insiders.

The Ministry tried doing this last year to pass the revised diplomat employment law by the National Assembly in the summer. But the plan was completely foiled when no agreement was reached within the Ministry.

"The suggestion of combining the European Bureau with the Middle East and African Bureau will be like a last blow to staff members who already feel neglected and dominated by their colleagues in the American and Asian Bureaus," said one working-level official.

Some insiders are extremely pessimistic about the proposal regarding overseas Koreans, educated and residing abroad, fearing that they will not only be unable to adapt to the work atmosphere but will build animosity with Korean staff who had to pass the highly competitive state exam to become diplomats.

"Some are saying, what's the point of taking all the trouble to pass the exam when foreign-educated people can easily enter without having to take the test and take away your career opportunities?" an official said.

Ministry Announces Plans To Ease Investment Process

SK1201035894 Seoul YONHAP in English 0232 GMT
12 Jan 94

[Text] Seoul, Jan. 12 (YONHAP)—The procedure for direct foreign investment in South Korea will be improved to require only the filing of an investment plan with the government, while tax breaks and financial support for foreign firms investing in high-tech and other specific industries will be greatly expanded this year.

At present, investors must obtain government approval of their investment plan.

The foreign exchange market will be further liberalized, with the exchange rate fluctuation range increased from the current 1 percent of the previous day's average market rate.

To minimize farmers' losses due to market opening, a specific duty system will be introduced for cheap farm products whereby tariffs will be set on the basis of a fixed sum of money for each unit of quantity or weight.

These are among the salient points of the Finance Ministry's operating program that Finance Minister Hong Chae-hyong reported to President Kim Yong-sam on Wednesday.

Hong said the Citizens National Bank will be denationalized and equity totaling 688 billion won of four state-run banks, including the Korea Development Bank, in 29 firms will be sold, along with equity worth 211.2 billion won in 18 subsidiaries.

Ceilings on investment in foreign securities markets by institutional investors, such as securities, insurance and investment trust companies, will be lifted altogether for free investment abroad, and individual investors, now allowed to invest in foreign securities only through investment trust firms, will be free to invest directly in foreign equity markets.

The introduction of foreign commercial loans will be limited to importing equipment needed in infrastructure expansion projects, while terms of foreign exchange loans from the Bank of Korea will be eased for increased capital investment by corporations. These loans will be excepted from credit controls.

The tax credit system for investment in equipment and plant, where 10 percent of the investment cost is deducted from taxable profit for small firms and 7 percent for large firms, will be extended by the end of the year.

All listed firms in the manufacturing sector will be allowed to increase their capital by issuing new shares, if they meet certain requirements.

To stabilize prices and at the same time to ensure smooth flow of funds, growth of the total money supply

(cash in circulation plus demand and time deposits) will be pegged at between 14 percent and 17 percent this year, Hong said.

Bank loans supporting government policies will be gradually reduced, while the Bank of Korea will impose ceilings on commercial banks when rediscounting notes they have already discounted.

Corporations will be allowed to set up sales finance firms overseas to help them increase exports, and companies developing their own trademarks and designs will be accorded tax breaks to encourage such development efforts.

Later, Construction Minister Kim U-suk revealed the creation of a Computer Data Bank on 25 million lots of land across the country by the end of the year in briefing the president on his ministry's operating program in 1994.

Private capital will be invited for construction of selected roads, tunnels and bridges, to make up for fund shortages in infrastructure expansion projects, he said.

*** Business Sector Reacts to President's Approach**

942C0016 Seoul CHUGAN MAEGYONG in Korean
13 Oct 93 pp 18-21

[Excerpts] [Passage omitted] Recently there has been a gentle tone in President Kim Young Sam's words (called YS hereinafter) often using rhetoric such as "future" and "advance" etc. This was rarely seen before. Did he think that he should now ease the warlike atmosphere derived from the sudden regulations and stringent audits and inspections and the like?

Last September 23, at the lunch table in the main building of the Blue House, YS talked with Chang Sang-tae, the head of the Dong Kuk Steel Industry group and the 17th person in a series of dialogues between YS and the various heads of financial cliques.

It is said that the dialogue between the two men of about the same age was very peaceful. While they talked about the monetary real name system and an economy-stimulating plan, etc., YS suddenly digressed from the conversation, striking newsmen's ears, "From my childhood I was bred in luxury in the home of an operator of a big fishery. Frankly speaking, at that time I lived so happily that I would not envy Mr. So-and-so. Why should a man like me not be a supporter of capitalism?...." Mr. So-and-so in his speech refers to the late head of a financial clique and a famous person synonymous of a rich man.

If reform opponents heard such a story, they might be displeased with him wondering why should he let the rich be denounced as moral offenders under his rule. But most ordinary people would think that from now on he might appease the rich who cowered before reform."

This is the first time since YS took office that he spoke such gentle words. [passage omitted]

He spoke especially to assemblymen Lee Sung-yun (the ex-Deputy Prime Minister) and Chung Ho-yong, among others, who had suffered from a slip of the tongue in the process of making public their personal assets.

After a long time, the high-spirited assemblymen began to appeal for improvements in the monetary real name system and special attention to economic recovery, etc.

Assemblyman Lee asked him to be more concerned about the economy, and assemblyman Chung appealed for the opportunity to talk with an open mind. He probably had much to tell as a person of the ruined TK group. This peaceful sight was also a first.

Would the flustered assemblymen standing in awe of the Blue House have touched YS's heart? In the evening of the 23rd, YS invited all the assemblymen of the Democratic Liberal Party to the Blue House, holding a similar event as with the Executive Members of the Party two days prior.

This event was not prepared in advance at all, but prepared on the spot, because YS was satisfied with the success of the meeting two days earlier. At the end of the talk, YS once again said such meaningful words that "thus far the rich might have been too criticized."

In the first few months after taking office, YS intended to spread a new sense of value saying that "anyone in our country should not want to have both wealth and honor, and should now select one alternative." Six months later, contrary to his previous actions, in the process of making public the assets of ranking public officials, YS presented a new philosophy that "the mere possession of many assets should not prevent anyone from becoming a public official."

Accordingly, as the assistant Public Prosecutor-General Kim Do-un becomes a prospective Public Prosecutor-General after Park Jong-chul resigned, YS heard from aides that "his only weakness was that he had too many assets" and asked how he got them. The aides answered that "there was not problem from a moral point of view because most of them were inherited." YS immediately promoted and appointed him, saying that "if this was so he was all right and this was no problem at all."

Judging from such facts, YS seems to be surely changing his mind or temporarily using new ways to distinguish his supporters and opponents.

Therefore those who have seen only the strict side of YS, they say, could not understand his present actions. Let's listen to a presidential aide. [passage omitted]

According to him, YS may be understood as follows. "They were whipped into shape. Because they realize the consequences, they will behave well from now. I will ease up."

Asked the same question, another aide commented in more simple terms.

"The same audit and inspection methods as he ordered in the early days after taking office will be no more. While up to now he has raised or lowered the standard of audit and inspection according to the times and circumstances, he has gradually lowered the standard. In short, he seems to intend liquidate the past by the end of the year and start with a new hope next year. This could be regarded as a period of transition."

If so, when would YS's appeasement policy have started?

Last August 12 when the monetary real name system was put in operation, YS's harsh style began to ease, many people believe. Even at that time there were a number of busy activities such as making out the audit and inspection schedule for the latter half of the year and giving an impetus to the next reform and so on.

But as the days went by, more and more people believed that the anti-reformers should soon be appeased. Such an opinion was originated in the belief that if increasing numbers of the rich and ranking public officials look on national policies with folded arms and object to the reforms, these reforms might fail.

Accordingly, the aides recommended that YS should surely talk with heads of financial cliques and lower the standard of the audit and inspection.

YS accepted his advisers' recommendations, because he had already blocked any possible evasion of the law by carrying out the monetary real name system blitz and making public ranking officials' personal assets.

He frequently talked with heads of financial cliques. After he had said that the government investment enterprises and the employers of funds would extensively be audited and inspected in the latter half of the year, he only examined in detail the assets of the high-ranking officials of the related organizations.

The talk about the tax investigation of the press companies also became disappeared.

The Blue House also demanded that even the audit and inspection of local indigenous unrighteousness should be immediately terminated. The revision of the Fair Trade Commission Law and the inquiry into the internal transactions, both detrimental to financial cliques, were greatly lessened.

The more crucial policy tolerating anti-reformers by YS is obvious by the fact that the Blue House dissuaded the Board of Audit and Inspection and the Opposition Parties from inquiring into the ex-Presidents Chon and No who were related to the Peace Dam and Yulgok Project, saying that "causing a sensation was not desired." [passage omitted]

Although the malfeasance and corruption was not yet all exposed, YS has chosen to tolerate and forget the gloomy

past rather than be indignant and instead decided to move forward to a brighter future. What would have led him to change so?

Han Fei-zi's ruling techniques especially liked by YS are thought to have led him to do so. [passage omitted]

Interpreted in a modern version, it may mean that when the leadership of a country such as statesmen, ministers and heads of financial cliques, etc. do not voluntarily cooperate, the ruler should yield and choose the next best policy.

Recently YS said to Cardinal Kim Suh-wan who was accompanied by Cardinal Soka of the Vatican, "There is definitely resistance (in connection with the monetary real name system, etc.) in our society. But I think I could conquer such resistance." Once a financial institution repaid a deposit to a big creditor with forged documents, defying the import of the money real name system, YS angrily demanded that such an institution immediately be chastised as strictly as possible. Despite the proposed improvements of the monetary real name system, he demanded that "no additional complementary measures be taken."

But his recent policies are more appeaseable than expected. He admitted the issue of long term low interest bonds that he was said to have so stubbornly opposed and included it in the September 24 measure.

In taking off the thick overcoats of the resisters, he appears to have made use of the warmth of the sunlight instead of the strong wind. Therefore some do not think that "YS's policy change will be permanent."

Such a view is originated in the story that YS does not yield in carrying out his affairs. That is why many are afraid of YS. But it is obvious that the resisters of the reforms made YS angry. Even judging from his words of "resister so-and-so" when receiving Cardinal Soka, he seems to have had no intention of forgiveness. If his recent acts are a temporary strategic retreat for the purpose of avoiding any head-on clashes with the resisters, he will watch for a chance to strike back. As many denounce YS at a meeting of the ordinary assemblymen of the Democratic Liberal Party, those of the Democratic Faction of the Party pointed out, "Don't kick up a row without knowing the truth." This story may mean such a situation.

Kim Yong-sam Holds Meeting With Former Presidents

Significance of 'Get-Together' Viewed

SK0801080394 Seoul YONHAP in English 0638 GMT
8 Jan 94

[By Cho Se-hyon: "Monday's Presidential Get-Together Has Symbolic Significance"]

[Text] Seoul, Jan. 8 (YONHAP)—President Kim Yong-sam has invited three former presidents for lunch at Chongwadae [presidential office] on Monday [10 January] in a symbolic gesture that signals an end to phase one of his reform campaign, aimed at settling past affairs.

Kim, the first civilian chief executive in more than three decades, spent the first year of his administration cleaning up irregularities and corruption, most committed during the two previous administrations led by Army generals.

In the second year, Kim obviously wants to embark on the construction of "a new Korea," through reconciliation and harmony through dialogue. Viewed from this angle, many believe Monday's presidential get-together will provide an auspicious and extremely well-timed beginning.

The luncheon, to be attended only by Kim and former presidents Choe Kyu-ha, Chon Tu-hwan and No Tae-u, is expected to draw keen public attention as it could provide an opportunity for Chon and No to make up their personal animosity.

Asked the meaning of the meeting, presidential spokesman Chu Ton-sik said, "don't we all know without someone elaborating on it?"

Politicians are free, of course, to attach any significance they wish to the lunch, Chu added.

The invitation of Choe to the meeting can be viewed purely as a courtesy.

But with Chon and No, both former presidents were wrongdoers when Kim was leader of a democratization movement in the 1980s.

Even after the Democratic Liberal Party was formed in 1990 through a merger of three political parties, including No's ruling Democratic Justice Party and Kim's Reunification Democratic Party, there was continuous friction between No and Kim, who was the DLP chairman, especially during the process of selecting the party's standard bearer.

Seen from this viewpoint, Monday's meeting is a gesture for reconciliation on the part of the current president.

Immediately following his inauguration, Kim defined the so-called Dec. 12, 1979, affair as "a coup d'etat-like incident," putting Chon in a tight position for leading a group of lower-ranking Army officers against their superiors and grabbing power.

Kim also ordered an investigation of the construction of the Peace Dam by Chon's administration and possible irregularities in the Yulgok military buildup program under No's administration.

In the process, many came to fear that a peaceful and amicable transfer of power from one president to the

next may be impossible in this country, and the successor will always expose the misrule and irregularities of his predecessor.

It was during this process that close friends Chon and No became estranged, with Chon imposing exile on himself in a remote Buddhist temple and harboring bitter feelings against No for not protecting him and his administration from a public outcry.

As for Kim, the president must realize that he can no longer afford to cling to "past affairs" if his administration is to march forward and begin to show the "tangible benefits" of having civilian government to the people following a year of reform and anti-corruption campaigns.

Kim must also realize that he now stands at the point where he could and should recruit support and take advantage of "the experience" of the former presidents for effective execution of national policy.

Unless he shows the magnanimity by which to reconcile with his erstwhile persecutors and have harmonious relations with them, he will find it difficult to appeal to the people for reconciliation and unity, especially within his own party.

Discussion Issues Noted

SK1001092794 Seoul YONHAP in English 0740 GMT
10 Jan 94

[Text] Seoul, Jan. 10 (YONHAP)—President Kim Yong-sam had lunch with three former presidents at Chongwadae [presidential residence] on Monday, using the occasion to explain the policy of his government and seek their support for his efforts to strengthen the nation's competitiveness in the era of globalization.

The president's luncheon guests were former Presidents Choe Kyu-ha, Chon Tu-hwan and No Tae-u.

During the two-hour get-together, Kim explained details of the reform policy that he put into effect in the first year of his administration and told them that the country has to join the ranks of advanced nations by boosting its competitive strength this year, presidential spokesman Chu Ton-sik said.

"His administration will continue to pursue changes and reform to attain the goal of his national policy," the spokesman said Kim told the former presidents. "In order to do so, revitalization of the economy, political reconciliation and high degree of morality on the part of the people is absolutely necessary."

Kim asked for active support from the former presidents for this goal, Chu said.

"I have given my all in the past 10 months," Chu quoted Kim as telling the former presidents, pledging that he will remain clean and work hard in the remaining four years.

The country recorded a trade surplus last year and, since there are signs of economic recovery, it is all the more important to maintain harmonious labor-management relations, Kim told them.

Kim also briefed them that the government set an export goal of 90 billion U.S. dollars for this year and in order to achieve this goal, national unity and solidarity are needed now more than any time before.

"The government has set aside 42 trillion won for investment in the farm and fishing industry as part of measures to cope with the conclusion of the Uruguay Round of trade negotiations," Kim said.

In addition, the country will try to raise another 1.5 trillion won through a special tax to strengthen the nation's agriculture and fisheries, Kim told them.

All three former presidents expressed their agreement with the plans, Chu said.

The three also expressed their satisfaction to President Kim for making an opportunity to get together, Chu said.

The former presidents said that they believe Kim's broad-mindedness will contribute to the development of a new political culture and national reconciliation, according to Chu.

Monday's presidential get-together was seen as significant not only because of its symbolism but also because of perceived efforts on the part of President Kim to unify the country and reconcile the various factions, some of which could have hurt the civilian government's reform policy and anti-corruption campaign.

In addition, the luncheon attracted unusual public attention because it was the first encounter between Chon and No since they ran into each other at Kim's inauguration Feb. 25 last year.

There has been intense speculation on when, and whether, the two former presidents will reconcile. Animosity between the erstwhile friends and fellow Army generals developed after No succeeded Chon as president in 1988.

Chon was said to be angry over what he apparently perceived to be a failure by No to protect him when he had to go into exile in a remote Buddhist temple amid rising public outcry against misrule by his administration.

After the meeting Monday, the spokesman told reporters that Kim did not refer to "the problem of reconciliation between Presidents Chon and No."

"President Kim simply observed that it is undesirable for the public to talk about a good or bad relationship between two former presidents," Chu said.

Chon told reporters after he returned home from the lunch that Kim had suggested a reconciliation and he had replied that "it was a good idea."

Pressed further whether he intends to reconcile with No, Chon asked: "Do men like us who have been presidents need a (special) opportunity to reconcile?"

"I believe we can reconcile naturally if we keep meeting at occasions like today's.

"There was nothing awkward about (my) meeting with President No," Chon said, discussing the atmosphere at Monday's meeting. "We talked a lot about the North Korean nuclear problem."

Chon said he had asked Kim to pay close attention to national security problems, and Kim was well aware of the importance of the security question.

No, upon arrival home from Chongwadae, did not talk to reporters.

An aide, Yi Su-chong, told reporters that No personally was very satisfied with Monday's get-together. Yi declined to go into the question of reconciliation with Chon.

No Tae-u Remarks Reported

*SK1101014894 Seoul YONHAP in English 0121 GMT
11 Jan 94*

[Text] Seoul, Jan. 11 (YONHAP)—Former President No Tae-u asked President Kim Yong-sam on Monday to "properly manage" the cases against former government officials accused of irregularities, including former Senior Presidential Secretary Kim Chong-in, who is charged with bribery.

Kim had lunch with former Presidents No, Chon Tu-hwan and Choe Kyu-ha at Chongwadae [presidential office] on Monday, and explained the policy of his government.

No said he was sorry his people had burdened Kim and blamed his own "lack of virtue" for their wrongdoings.

Kim did not respond in detail.

"The president's unchangeable firm belief is that there cannot be exceptions, according to the principle of equity, in dealing with those who are on trial for their irregularities and obviously violated the law," a member of the presidential staff said. "The cases of former government officials will be dealt with in strict fairness under the law and according to the principle of justice without sanctuary."

Media 'Generally Welcomed' Meeting

*SK1101040094 Seoul YONHAP in English 0252 GMT
11 Jan 94*

[Text] Seoul, Jan. 11 (YONHAP)—The news media generally welcomed President Kim Yong-sam's meeting Monday with three former presidents and urged them to use the occasion to start working for national harmony and unity.

Former Presidents Choe Kyu-ha, Chon Tu-hwan and No Tae-u personify the conflict and yoke that stained the political history of South Korea for the last 15 years, some newspapers said.

Kim had invited the trio to Chongwadae [presidential office] for lunch and informal talks, but the news media and general public attached significance to the event and used words like "great reconciliation" and "great harmony."

In addition, Kim invited his predecessors to seek their support for his administration's efforts to boost competitive strength in the era of globalization through national unity.

But below this facade, the TONG-A ILBO could not help detecting Kim's political calculation. The daily said in an editorial Tuesday that through the last 10 months of anti-corruption campaigning Kim has alienated himself from Chon and No and must have felt a political burden.

In this respect, the presidential get-together could be nothing more nor nothing less than a meeting of pro-government forces, the TONG-A said, adding that this was why it could not but worry that the meeting may force a dispersal rather than a concentration of national strength.

The TONG-A nevertheless ended its editorial on a hopeful note, urging Chon and No to make efforts to make up their personal animosity so that the public no longer hears about their conflict.

Moreover, if the meeting was held to help gather national competitive strength within a big framework of reconciliation and unity, the newspaper said, the public suspicion or impression that Kim has been waging a political vendetta against his predecessors under the pretext of an anti-corruption campaign has to be cast off.

The SEGYE TIMES, in an editorial, said that it did not view the meeting as an occasion for simple reconciliation, for it has to be reconciliation and cooperation for the future through readjustment of personal attitude and self-reform.

It should not be a reconciliation that accepts past mistakes or wrongdoings as they are, but one based on a thorough self-examination and efforts to reborn for the future, it said.

A SEOUL SINMUN editorial said angry and fighting politics were replaced by politics where there are smiles. There was no better sign than that Korean politics have stabilized and matured, it said.

There were times when chief executives could not go out to the public freely and express their own opinions.

As one of the persecuted politicians during those unfortunate days, President Kim has extended his arms to former presidents based on his legitimacy and confidence, the SEOUL SINMUN said.

Kim's efforts to get the nation back to normal have to be evaluated highly, the newspaper added.

President To Start Receiving Annual Ministry Reports

SK1001024894 Seoul YONHAP in English 0212 GMT 10 Jan 94

[Text] Seoul, Jan. 10 (YONHAP)—President Kim Yong-sam receives the annual New Year's reports by ministries and agencies from Tuesday for the first time since his government was inaugurated in February 1993.

Chongwadae [presidential office] wants, however, to drastically reform the annual reports to better suit a civilian government and move away from past practice, which was almost ritualized and devoid of substance under the militaristic and authoritarian administrations of former Army generals.

Instead, the Kim administration wants to introduce "an efficient and effective" practice of reporting on annual plans by each ministry to the chief executive, Chongwadae officials said Monday.

The decision is in line with Kim's style, which has quickened the pace of operating government affairs, including the New Year's presidential press conference, the officials explained. Unlike previous presidents, Kim gave his press conference in the first week of the new year.

As a result, the administration plans to cut the period of the so-called national policy reports by half, winding them up before Jan. 31. In the past, reports to presidents had been dragged into February or even March sometimes.

The administration hopes to wrap up reports by mayors of big cities and provincial governors within February.

In order to save time and unnecessary complication, Kim will receive reports from two ministries a day, all in the morning, at Chongwadae, if possible. In the old days, presidents went out to the offices concerned.

Of the 28 ministries and agencies, Kim will probably go only to the Agriculture and Fisheries, Defense, Home Affairs and Education Ministries. The number of officials he will meet will also be reduced with heads of offices of planning, and bureau chiefs, in addition to, of course, ministers.

This year's reports will also rid of "militaristic" charts and slides and let ministries be brief and to the point with their new year plans, the officials said.

One Chongwadae official said that since Kim has already elaborated on the administration's goal for this year, which is internationalization of the country, the ministries are expected to place emphasis on ways to boost competitive strength.

Unlike past governments, the Kim administration will check the progress of each plan reported by the ministries on a quarterly basis, the official said.

Presidential Secretariat Undergoes Reorganization
SK1201063194 Seoul YONHAP in English 0559 GMT
12 Jan 94

[Text] Seoul, Jan. 12 (YONHAP)—The presidential secretariat, which appeared to be feeling its way around for the first year, is expected to become truly the "hands and feet" of President Kim Yong-sam as his civilian administration enters its second year.

To better assist the president, the secretariat reorganized itself Wednesday and created several senior presidential secretary positions, one of which will be in charge of agricultural and fisheries affairs.

Additionally, it merged several secretary posts with overlapping turf and changed the names of some of them.

To strengthen the planning and coordinating of the chief presidential secretary, it created the job of secretary to assist the chief aide, and it created the job of woman deputy spokesman in the office of the senior press secretary.

Under the new position of senior presidential secretary for agricultural and fisheries affairs will be three secretaries: In charge of farm and fishery policy, agricultural and fishing industry, and welfare of farmers and fishermen, respectively.

The No. 1 and No. 2 secretaries in charge of publicity under the senior secretary for political affairs were merged into one. The two secretarial posts in the office of petition and information and the two in the office of educational, social and cultural affairs were also merged.

On the other hand, the job of the secretary for party-government affairs under the senior secretary for political affairs was divided into two positions.

At the same time, Chongwadae changed some of the names. The secretary for defense administration in the office of the senior secretary for foreign and national security affairs, for example, is now the secretary for defense.

In addition, the No. 1 and No. 2 publicity secretaries under the senior press secretary have changed to the No. 1 and No. 2 public information secretaries and the overseas information secretary to the overseas secretary.

Chongwadae has changed the temporary office of the social infrastructure planning group under the senior secretary for economic affairs into a permanent organization. The temporary office of administration reform office under the senior secretary of administration affairs will be abolished in April, as planned.

The secretary for overseas Korean affairs under the senior secretary for foreign and national security affairs will be concurrently the secretary of international security affairs for the time being.

As a result of the reorganization, the number of secretaries rose from 49 to 51 but the actual number of presidential staff will drop as some administrative officer posts were cut.

Minister: EPB To Reduce Number of Senior Officials

SK1201113094 Seoul YONHAP in English 1035 GMT
12 Jan 94

[Text] Seoul, Jan. 12 (YONHAP)—Deputy Prime Minister Chong Chae-sok said on Wednesday [12 January] he would reduce the number of rank-1 posts of the Economic Planning Board (EPB) by two to six from the existing eight to ensure an increase in administration productivity.

In a press conference, Chong who concurrently controls the board as its minister said the duties of the remaining six rank-1 officials will be readjusted after the reduction.

"As other offices are expected to ask for increases in their authorized manpower when they formulate their 1995 budgets in May, it would be difficult to turn their requests down unless the EPB scales down its organization first," Chong said.

He added that he would effect a reorganization of his board on the condition that his board's senior officials endorse it. "But, I will wind up the matter sooner or later without dragging it on through April," Chong said.

The deputy premier also said that the major goal of this year's economic operation is to bring about economic energization in stability.

"We will display our determination to ensure stability by pegging price rise down within 6 percent this year," he said.

Opposition Leader To Give News Conference 12 Jan

SK1101011594 Seoul YONHAP in English 0056 GMT
11 Jan 94

[Text] Seoul, Jan. 11 (YONHAP)—Opposition Democratic Party leader Yi Ki-taek will give his New Year's press conference at DP [Democratic Party] headquarters on Wednesday [12 January] morning.

He is likely to call for a special session of the National Assembly to deal with issues such as the Uruguay Round trade accord, rice market opening, price hikes, an arms deal fraud and revision of political laws.

He is expected to stress the need for all sectors of society to adjust themselves to the new age of internationalization in order to increase the nation's competitiveness should, party sources said. [sentence as received]

He will also mention his party's role in dealing with issues between South and North Korea, like the North Korean nuclear problem, and economic cooperation.

* Reform Impact on Civil Service Assessed

942C0047A Seoul SINDONG-A in Korean Dec 93
pp 238-249

[By reporter Yi Chong-Hwan]

[Excerpts]"If you run, you get hurt." A self-preservation attitude is eating away at the civil service community. An aversion to work is becoming conspicuous among those in civil service. At one time able to make even the impossible possible, an increasing number of them observe, "Lately, even the possible is impossible." This is because they are scared. Even while dealing with such burdenless work as the issuance of resident registration cards in a comparatively friendly way, they hesitate to handle work for which they will be held responsible, such as authorizing licenses. It has gone so far that there are even people requesting service who offer to pay workers to handle their problems. [passage omitted]

It has been nine months since the civilian government's reforms began. With each sector of society changing at its own speed and intensity, the 870,000-strong civil service community too seems to have changed in various ways. Overall, it is busier and its treatment of even strangers has become comparatively friendly. Government workers even answer the phone differently than they did in the past. Compared to rural areas, Seoul and other urban areas in particular have changed a great deal.

One government official compressed the most characteristic of recent changes into six categories: three that have increased and three that have decreased. The so-called "Three Increases, Three Decreases". Audits, anonymous messages and group civil petitions have increased; the convictions of government workers, their supplementary income and desire to work have decreased.

The number of audits in particular have increased conspicuously. Several audits frequently happen at once, so much so that it is said they happen at the drop of a hat. [passage omitted]

Anonymous messages have also increased markedly. This is so much the case that this saying is circulating: "[The government] failed at economic revitalization, but succeeded at anonymous-message revitalization." Anonymous messages and written petitions from all over are pouring into the Blue House, Integrated Government Building, Public Service Center, Board of Audit and Inspection [BAI] and the Public Prosecutor's Office. "Stabbing-the-persimmon-you-can't-eat" style of groundless, anonymous messages intended to secretly

hurt someone are also contributing to this flood. Not too long ago, a saying was circulating in one government office in which a bureau chief was sacked because of such anonymous messages: "Anonymous messages are more frightening than the anti-corruption campaign." [passage omitted]

Supplementary income has also decreased. The number of regularly visiting petitioners has markedly dropped. Contact with people who used to occasionally call officials out for food and drink has also become rare. The giving and taking of money envelopes, considered natural in the past, is now something to be done cautiously. Restaurants in the vicinity of government offices are starting to feel the pinch of economic hard times. [passage omitted]

The lack of enthusiasm is the same, regardless of rank or duties. Although there may be differences in degree between those in and out of government offices, and between central and regional offices, their problems are similar. The "season of ambition" during which workers were anxious to quickly do people's civil-petition paperwork for them appears to have passed. Now a new habit is forming in them, a habit of checking the regulations carefully one more time to make sure they do not get in trouble.

Lying low. Is this a byproduct of the reforms or resistance to it?

"Outwardly making justifications, inwardly asking, what am I getting out of it, bureaucrats put class and personal interests first. They consider the nation their possession. Their existence is of a different order, their consciousness full of controlling and interfering. In particular, as a result of their distorted political experience, they think taking bribes fair and proper and hate the prevention of this most of all."

These are the observations of one Seoul National University professor. He says bureaucrats by their very nature dislike reform. Although not organized, they show a passive resistance by not doing what they are told or by doing it slowly, he explains. This is a problem at both upper and lower levels, he says.

"Among office directors, many only answer the phone. They have those below them do all the work and do none themselves. This is in contrast with the bureaucrats of advanced nations, who sit in front of their computers, working diligently of their own accord. Because of such directors, administration becomes careless. What of those in the lower ranks? Their greatest objective is to get in a good position and make a profit for themselves. It does no good to tell bureaucrats to reform: all they will do is pretend." [passage omitted]

One Democratic Party lawmaker was even more critical: "Our country's bureaucratic system is a combination of surviving feudalistic thought, which puts the government above the people, and colonial bureaucracy. To this, add the barracks-style authoritarianism picked up

during years of military dictatorship. Accustomed to this climate, most bureaucrats perceive reform to be a loss of their rights, as something inconvenient to themselves. Even while accepting—they have no other choice—the trend toward democratization and decentralization, they criticize it as inefficient every chance they get. Unless the scalpel of a large-scale operation is taken to the bureaucracy, we cannot hope for reform and democratization."

Not a few government workers strongly deny this, however. [passage omitted]

Insisted a secretary of the Ministry of Trade, Industry, and Energy [MOTIE] "Far from resisting it, the reform is what we want to pull forward." One assistant grade two official working in the Capitol Building said the following:

"Reform is the current of the times. Even if it weren't President Kim, there would have been reform. It may have speeded up a little because of him. Although there may be some government workers resisting it, they are few. I think most are not that way. It is only that they can't move quickly because of the nature of the bureaucracy. This actually guarantees the government's stability." [passage omitted]

Under the name of beautifying the environment, district office workers have to go around taking down advertisements off the streets. He says they even wash billboards and signs. Even worse, if a "civil petition" comes in that a drunk has vomited making a public place dirty, they have to go out to clean it, the worker says. One told a story about what he experienced while removing poster advertisements.

"Two of us were engrossed in removing an advertisement from a telephone pole. One little kid who was going along with his mother asked, Mommy, what do those people do? Do you know what the mother answered, then? She said, If you don't study hard either, you'll end up being one of those people too."

He says it is at times like these that the doubt, what is the use in working hard, enters his mind. Recently, the number of public servants feeling this way is increasing. Let us listen to the words of one grade five official:

"Lately, in meetings between classmates or between juniors and seniors, you hear a lot of talk about how empty people feel. The greater a person's expectations of the civil service community, the greater the sense of emptiness. It's not because the profits of the past have disappeared with deregulation. It's because there is a great deal of criticism of the economic departments to which we have devoted ourselves, as if they were an obstacle to our country's economic development and because government workers are thought of as a group of criminals. There are not a few of my colleagues who feel the present government has sold us out for political objectives. It's to the extent that we go in twos and threes after work to comfort ourselves in the neighborhood bar."

The grade five official said, "When there were regulations, control was possible, so the work was easy. But as regulations were eased, it became less possible to predict, so everything must be checked and reviewed. Because of this, there's a lot more work to do. There may be those in the front-line windows who say they won't take money and they won't work, but here we have neither the time nor mental latitude to think like that."

Criticized by civil petitioners for saying they "won't take money and won't work," there are those who respond, "I have something to say to that." These are the words of one low level, district office worker:

"They say that we're saying, we won't take your money and we won't give you an authorization, but is it only the government workers who have been bad? It's not that the person in charge is finding fault, even though there is nothing wrong. There are many cases in which people come with something that cannot be done, "include an envelope [a bribe]" and beg you to do it for them. They ask you to look the other way; they whine and plead. It's giving a break to someone in these pitiable circumstances that is considered corruption." [passage omitted]

The attitude of government workers toward civil-petitioners is very negative. The words of one district office employee:

"Petitioners think if they only include a money envelope in their paperwork, then it will all go through. If you tell them to supplement this or that point, they just think they didn't put enough money in the envelope. If even then you don't take their money and demand supplementary measures, they apply pressure through higher-ups or send anonymous messages for totally unrelated reasons."

Of those around him, "Many have suffered this," he says, "unless the whole of society changes, there will be government worker corruption." "If petitioners don't get their way, they send anonymous messages," says a worker at another district office. [passage omitted]

The audits have played a big part in workers' decisions to "work according to the law." "You have to spend two weeks getting ready for one audit. There are a lot of cases in which people can't do other work because of this," said one junior official who works in a district office housing department, "You hesitate to issue a license because you don't know what indications are going to come out of the audit." Having watched inspections of workers below him several times, one municipal office manager takes a much stronger tone in his criticism of the auditing:

"Do you think the BAI [Board of Audit and Inspection] people are all clean? Some of them are robbers. In the past, they dealt with all high-level civil petitions. Our country can't work because of the BAI. Hardworking people all get hurt. They are the only ones who like inspections."

"There is a lot of disparity between service administration and inspections," says one district-office manager, until recently working in the Seoul municipal office. Contrary to service administration, which actively interprets legal statutes, standing on the side of civil petitioners, auditors end up interpreting the nature of the statutes in a passive way. "Unless they narrow this deviation in interpretation, service administration will become impossible," he said, "We are stuck with the absurdity of being disciplined more the harder we work." Is it not this absurdity which created the self-preservation attitude of the civil service community?

To the question, "What within your organization has changed with the reforms?" most government workers answer, "Nothing." There are many who respond, "It's become friendlier," "It's become cleaner" or "We try hard to do right." The observation that the reform is deepening is attributable to this. [passage omitted]

Although nine months have passed since the reform began, it is not progressing as it should. Concerning areas in which there were many irregularities and injustices in the past, only auditing is being done. No deep prescriptions for eliminating the causes of these irregularities are seen. [passage omitted]

"When the Blue House says 'reform,' ministers and vice ministers hear this, come and gather the bureau chiefs together and say 'reform.' The bureau chiefs gather those below them and talk of reform; those below them also repeat this talk of reform to the people below them. But they only said to carry out reform. Nobody knows what it is that we are supposed to reform. The same goes for the ministers who came in as a reform force. The minister has to designate something to reform, but to do this, he has to know the work of his ministry well. How many such persons are there among the present ministers?"

"It doesn't matter whether they are ministers, vice ministers or senior officials, they can't carry out reform because they don't know anything," asserts a person with the rank of bureau chief working at the Capitol Building. The Blue House is also within range of his criticism.

"The Blue House has been telling us to carry out reform, but not saying what to reform. All it does is repeat the vague slogan, Creating a New Korea. But it apparently has no concrete methodology on what and how to reform. It's just saying that government workers aren't moving, without presenting any particulars." [passage omitted]

A Blue House source says, "The civil service community has no choice but to be placed in a contradictory relationship: on the one hand, it suffers because of the anti-corruption drive, on the other hand, it must draft policy and implement the reform. Even for this, it cannot depend on the Blue House for particulars, but must find them itself. The direction of the anti-corruption drive

concerning the government-service community is not against past offenders, but against those people who do not intend to change."

Is this really the direction the anti-corruption against public servants has taken up to now? Unfortunately, it does not appear so. The personal assets registration of public servants is a representative example of this. There were senior officials who in the morning heard from their minister, "Stay just as you are," only to hear, "At the Blue House, they say it doesn't look good," in the afternoon and then have to resign. There was also a figure of the legal profession who had to resign only because the land he bought with money he had received as an inheritance happened to be in Suji-myon, Yongin county.

The economic condition of a ministry became the standard of the anti-corruption drive. Too much interest in finances became a cause of misfortune. "Is it 500 million or a billion [won]?" became the line between the guilty and the innocent. People had to be anxious over whether they had left out their sons' accounts when registering personal assets. This has been one aspect of the anti-corruption drive up to now. The reality of the civil service community was that, during the time its members were supposed to be finding their own work, such as drafting policy for the particulars of the reform, they had no choice but to look after their futures and the concerns of those above them.

There will be many changes in the position held by the Blue House until now, predicted one senior Blue House official in connection with the anti-corruption drive in the civil service community. "It is true that until now we have mainly treated the problem's symptoms. In the future, however, we intend not to use these measures as far as possible. The symptoms suffered by the civil service community are so severe that by trying to excise some parts we could end up killing the patient. Its reform cannot help but be time-consuming." This shows us the considerable extent of the Blue House's distrust of the civil service.

Late last October, a conference of planning-management-office directors from each department of the Capitol Building was held for the first time in a long time. It was set up to discuss the problem of education for government workers, but in the middle of the meeting, it unexpectedly went off in a curious direction. The Blue House's method of reforming the government-service community came up in conversation. The words of one participant:

"Government employees feel their work is worthwhile because of four things: honor, promotion, remuneration and job security. That the recent reform wind stole all these away from them came up in conversation. Far from being honorable, the public servant is presently portrayed as a member of some criminal organization, resulting in this loss. Prospects are that the backlog in promotions will grow more severe as the years go by and,

on top of this, pay is poor. It's bad enough as it is, but the cold wave of the anti-corruption campaign reduced both legal and illegal income by 30 percent. Job security for government workers is never knowing when your head is going to roll."

"For these reasons, government workers have become cynical," he said, "In order to cause a desire to participate in the reform to truly well up from within, we need to raise their morale. Since everything else is working out well, we concluded that each of us through our ministers should suggest to the Blue House that, at least, it often give official recognition to people who do well." [passage omitted]

The promotion backlog is now considerably severe. It takes an average of 12.7 years to be promoted from grade five to grade four and 10.4 years from grade four to grade three. In the finance ministry and Economic Planning Board, this still takes 2-3 years more than other ministries. Prospects are that these periods will lengthen as time goes by. [passage omitted]

To relieve its severe promotion backlog, beginning last November the Ministry of Government Administration adopted a plural ranking system for the main chief clerk positions in its central departments. Through this, about 269 people were promoted to grade four, even while doing grade five work. The question is how long the effects of this will continue.

The promotion backlog is the same at the lower levels. Although there are some who started at grade nine and are now bureau chiefs in central departments, people in the lower ranks cannot even dream of this. At best, 18 years are required to go from grade nine assistant clerk to grade six junior official. Furthermore, in the future there is a high probability that the best one can hope for will be to retire as a junior official. With the best they can aim for being "eternal low rank," there is concern about whether talented people will come into government service at all.

Because of this promotion backlog, dissatisfaction is being concentrated on the problem of remuneration. They are asking to at least be given decent pay. The present pay of government workers is reportedly 87 percent of workers at government-run firms. During his campaign, President Kim promised to raise this to 100 percent within his term in office. There are no government workers who actually believe this, however. This is because every president has made the same campaign promise. There is a great deal of criticism over the freeze on government pay early this year. "Just because he's president, does that mean he can change what was put

into the budget by last year's National Assembly?" ask some, saying that with the wage freeze the president went beyond his authority.

One MOTIE grade five official with 11 years in grade, said, "I take home about W1 million in months without a bonus and 1.7 million in months with a bonus. I was shocked when I compared my salary to that of a man in his tenth year working for Samsung: I made over W600,000 less in the amount actually received." [passage omitted]

There are problems with the present pay system, which decides pay based on rank and number of years worked. Rather than increases in pay, it is geared more toward increases in rank, so all must depend on promotion. Some point to this as a stumbling block in the way of the move toward a specialized administration. Also, if the small government is achieved, the bureaucracy may have less appeal than previously. In preparation for this, pay needs to be raised more quickly, to continually entice a capable elite into the government. In an economic department of the Kwachon government building early this year, there was a disturbance when an elite, grade four official said he was going to the private sector and others tried to dissuade him.

It is very obvious that if the morale of the bureaucracy drops, it is difficult for the government to be managed as it should. Promotion and pay are not the only factors raising morale. Continuous encouragement is needed capable of awakening a sense of belonging and duty. One senior official used the chariot-race scene in the movie *Ben Hur* as an example. Ben Hur beat off innumerable competitors to win; there is a direct correlation between this and his handling of the reins, he says. If one looks closely, one can see that the others are whipping their horses, but, without a whip, he only keeps the horses in order using the reins, he points out.

It has been the whip of the anti-corruption drive centered around the Blue House which has characterized the YS [Kim Yong-sam] style of reform. Thus, people are heard to say things like, "The direction is different, but the method is the same as that of past authoritarian regimes," and use the newly-coined word, Taechi [presidential rule]. The underlying tone of the reform of the government-service community was also determined by this Blue House-centered, anti-corruption style. Because of this, the civil service community is frozen with fear and self-preservation attitudes are prevalent. A bureaucratic organization cannot be the faithful instrument of a reformist government. Unless the situation is changed, the reform may fail and fade away. But this does not mean that it is okay for civil service reform to stop. Reform must continue, but it must be done with the attitude of Ben Hur driving his chariot.

Brunei, Malaysia, Singapore**Malaysia****Minister Backs Tehran on Afghan Problem***LD1101200494 Tehran IRNA in English 1824 GMT 11 Jan 94*

[Text] Kuala Lumpur, Jan. 11, IRNA—Malaysian Foreign Minister Abdullah bin Haji Ahmad Badawi told visiting deputy foreign minister of Iran for Asia-Pacific affairs, Alladdin Borujerdi, here today that his government supports Iran's efforts for solving the situation in Afghanistan.

He proposed that the Islamic Republic exploit the secretariate of the Economic Cooperation Organization (ECO) as a good opportunity for helping solve the problem in Afghanistan.

Badawi added that the forthcoming foreign ministerial meeting of ECO states in Tehran would be a good occasion for collaboration with the association of South East Asian Nations (ASEAN).

The Malaysian official expressed hope that he would visit Tehran for the joint economic commission of Iran and Malaysia.

The Iranian official in response appreciated the positive attitude of the Malaysian Government towards the Islamic Republic regarding international issues.

Thailand Offered Naval Facilities on Strait*BK1101100594 Kuala Lumpur BERNAMA in English 0411 GMT 11 Jan 94*

[Excerpts] Kuala Lumpur, Jan 11 (OANA-BERNAMA)—Thailand has assured Malaysia that its purchase of aircraft carriers is for defence purposes, Deputy Defence Minister Wan Abu Bakar Wan Mohamed said Monday. [passage omitted]

We understand the defence requirements of the Thais as they have got to patrol both the Gulf of Thailand and the Andaman Sea, he told reporters after discussions with the Thai top brass.

Purchased as part of the RTN's modernisation programme, one of the helicopter carriers is already being built in Spain and is scheduled to be delivered in 1997. This will make Thailand the first country in the region to have such vessels.

Wan Abu Bakar said Malaysia had also offered RTN the facilities of the naval dockyard in Lumut for their vessels passing through the Melaka Strait.

Both countries, he added, would work together to enhance the level of cooperation, especially in joint exercises and in anti-piracy operations. [passage omitted]

Meeting To View Cooperation Proposals With PRC*BK1201072694 Kuala Lumpur BERNAMA in English 0335 GMT 12 Jan 94*

[Text] Kuala Lumpur, Jan 12 (OANA/BERNAMA)—The first meeting of the Malaysia-China Joint Committee on Science and Technology, which ended here Tuesday, has come up with 25 proposals to be viewed by both countries.

Malaysian Science, Technology and Environment Minister Law Hieng Ding said among the proposals were the need for cooperation in micro electronics and computers, plastic and ceramics, nuclear technology and primary commodities.

The meeting also agreed that there should be cooperation in technology parks, science centre, remote sensing, meteorology and marine conservation.

Officers would be sent to China to further discuss the proposals, he told reporters after the meeting.

Law said it was also agreed that the meeting be held biennially and China had volunteered to hold the meeting in Beijing in 1996.

China's delegation was led by the Vice-Chairman of China's State Science and Technology Commission, Deng Nan, while the Malaysian delegation was led by Deputy Minister Peter Chin.

Deputy Premier Makes Election Visit to Sabah*BK1101093694 Kuala Lumpur NEW SUNDAY TIMES in English 9 Jan 94 p 2*

[By Manan Osman and Joseph Bingkasan]

[Excerpts] Kota Kinabalu, Saturday—Deputy Prime Minister Datuk Sri Anwar Ibrahim said today the Barisan Nasional [ruling coalition] was set to take over the administration of the Sabah state from Parti Bersatu Sabah [Sabah United Party]. Anwar said Sabah would have a bright future under a Barisan Nasional government.

He said the unity of the people would be maintained to strengthen the party so that it would be able to take over the state.

Anwar, who is also finance minister, said the Barisan Nasional would continue to safeguard the interests of the people of Sabah.

"The Barisan Nasional will continue to strengthen unity among all races in Sabah," he said when addressing a large gathering comprising Barisan Nasional leaders and members who braved the rain to welcome him at the old airport here this evening.

Anwar, who is also UMNO [United Malays National Organization] deputy president, said unity among the

people in the state was vital towards ensuring victory over the Parti Bersatu Sabah in the next elections.

"I thank all of you for coming here to welcome me and I think the future of the state under the national coalition is bright," he said to applause from the crowd.

He said the Barisan Nasional wanted Sabah to be as developed as other states and that this would not be impossible if the people gave their undivided support to the Barisan Nasional. [passage omitted]

It was Anwar's first official visit here since he was appointed deputy prime minister on 1 December. Anwar will visit Tawau and Semporna tomorrow before returning to Kuala Lumpur in the evening. [passage omitted]

Singapore

Air Force To Acquire Additional F-5 Fighters

BK1101143994 Singapore *THE STRAITS TIMES* in English 11 Jan 94 p 24

[Text] The Republic of Singapore Air Force (RSAF) will be acquiring additional F-5 fighter aircraft to replace some of its older planes.

Mr. Teo Ming Kian, the Defence Ministry's permanent secretary (Defence Development), said Singapore Aerospace (SAe), which is now upgrading the RSAF's existing fleet of F-5 aircraft, will be sourcing for additional F-5s to replace some of the older A4-S Skyhawks and J65 Hawker Hunters.

These aircraft will be phased out in the near future, said Mr. Teo in a report in the latest issue of PIONEER magazine.

As the United States manufacturer of F-5s, Northrop, has stopped production of the aircraft, SAe will source for the additional planes from other countries that are planning to phase out their own F-5s.

Mr. Teo said this during a visit to SAe last month, where he was given an update of the progress of the F-5 upgrade project.

Apart from its use by the RSAF, the F-5 is still one of the front-line interceptors for the air forces of Indonesia, Malaysia, South Korea, Taiwan, and Thailand.

These air forces are reported to operate some 400 such aircraft.

Under the RSAF's upgrading project, which started more than four years ago, the first prototype of the upgraded F-5 is expected to take to the sky early this year.

During his visit, Mr. Teo viewed the prototype with its new radar and avionics systems.

The new air-intercept radar system gives the aircraft the ability to "look down" and detect low-flying targets against a stationary background.

The avionics systems will be fully computerised. With just small finger movements on the throttle, the pilot will be able to control all aircraft functions, from the weapons to the radar and communication systems.

The upgrading of the F-5s, which entered service with the air force in 1979, is one of Mindef's [Ministry of Defense's] life extension programmes, which give older weapon systems a new lease of life at a fraction of the cost of acquiring new systems.

Work on the F-5 is being jointly undertaken by the Defence Technology Group, SAe, and the Defence Ministry's Air Logistics Department.

Prime Minister Goh Sees Visiting PRC General

BK1201115094 Singapore Singapore Broadcasting Corporation in English 1100 GMT 12 Jan 94

[Text] The vice chairman of China's Central Military Commission, now in Singapore, called on Prime Minister Goh Chok Tong today. General Liu Huaqing is in the republic on a transit visit until Friday. He is in Singapore between his official visits to Thailand and Indonesia.

A Singapore official said the visit will, among other things, give an opportunity for China's defense establishment to be more aware of the thinking in Southeast Asia on matters including the South China Sea issue.

Cambodia

Khmer Rouge Attack Thai Bridge, Northwest Targets

BK1201080894 Hong Kong AFP in English 0759 GMT 12 Jan 94

[Text] Poipet, Cambodia, Jan 12 (AFP)—Khmer Rouge rebels attacked and disabled a bridge early Wednesday, just one day before the Thai and Cambodian premiers were due to inaugurate it, a Cambodian military security officer said.

One Cambodian government soldier was killed and three were injured in a 30-minute firefight, the officer said.

He quoted officers stationed in [name indistinct] Borei, 30 kilometers (20 miles) east of the Thai border, as saying that one Khmer Rouge guerrilla had also died.

The bridge, one of two built by Thai engineers on Cambodia's Highway 5, is now impassable, the Cambodian officer said.

Thai military officials responsible for the border region could not confirm the report.

Questioned by telephone from Bangkok, they said they were too far from the reported attack site to investigate.

Thai Prime Minister Chuan Likphai, on a three-day visit to Cambodia to solidify economic and political relations, is scheduled open the bridge Thursday with Cambodian co-premier Hun Sen.

Both Thai and Cambodian officials maintained the incident would not affect Thursday's ceremony, though contingents of military police from the two countries had been reinforced.

Tanks and armored personnel carriers were moved into Poipet, opposite an area controlled by the Khmer Rouge, and Thailand temporarily closed its Klong Leuk-Poipet checkpoint, an officer said.

The Thailand-Cambodian Border Coordination Office has asked for a temporary ceasefire.

Meanwhile, heavy fighting between Khmer Rouge and government forces broke out 15 miles south in Phum Takong Krao district, Thai and Cambodian officers said.

Heavy artillery, rockets and self-propelled guns were reportedly used in the two-hour skirmish which began at 7a.m. (0000 GMT), they said. Casualty and injury reports were not immediately available.

Ranariddh 'Clarification' on Khmer Rouge Charge

BK1201075594 Phnom Penh AKP in French 0408 GMT 12 Jan 94

[Text] Phnom Penh 12 Jan (AKP)—We reproduce here below the full text of a clarification made on Monday by Prince Krompreah Norodom Ranariddh, first prime minister of the Royal Government of Cambodia [RGC]:

Following the 9 January AFP dispatch entitled "Ranariddh reneged on deal over peace talks" [title given in English] which concerns my letter dated 28 December to His Excellency [H.E.] Khieu Samphan, I, Norodom Ranariddh, wish to make the following clarification:

1. At the 17 December meeting with H.E. Khieu Samphan, I said that due to concrete reasons, it was neither useful nor productive to have talks within the framework of a technical group consisting only of the representatives of the Party of Democratic Kampuchea [PDK] and the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party.

2. The idea of having a quadripartite discussion is not realistic after the implementation of the peace process in line with the Paris accords and after the formation of the royal government emerging from the same process.

3. With a view to advancing the process of national reconciliation, I agree to have a technical working group with no reference to the PDK or the RGC. On that occasion, I told H.E. Khieu Samphan that if the PDK looked through all the points of the 21 November article

proposed by His Majesty the king, it should have noted that His Majesty clearly mentions in that same article: "The PDK and the RGC."

4. At the 17 December meeting, I made it clear that even if a technical group is set up without any name, this should also be accepted by H.E. Hun Sen, second prime minister of the RGC.

5. In Beijing, His Majesty, speaking with enormous wisdom and reason and in his capacity as a father, asked me to establish the technical working group made up of the representatives of the PDK and of "Samdech Krompreah, first prime minister of the RGC." With reference to this suggestion, I would like to propose again to the PDK this formula with H.E. Sok An and H.E. Veng Sereivut as RGC representatives. Besides, this royal formula has already been endorsed by H.E. Chea Sim and H.E. Hun Sen.

6. In my reply to H.E. Khieu Samphan's letter that was quoted by AFP, I clearly stated that:

A. The RGC accepts the five-point proposal of His Majesty the king.

B. I asked H.E. Khieu Samphan whether it is possible to accept the proposed formula for the technical working group. This is to accelerate the process of national reconciliation and peace.

7. Nonetheless, it is obvious that the PDK is not sincere in the so-called desire for peace and national reconciliation.

The simple proof is that while declaring acceptance of all the elements of His Majesty the king of Cambodia's article, the Khmer Rouge do not want to recognize the RGC, while insisting at the same time that they become members or advisors to that same government.

Ranariddh, Pen Sovann Doubt DK Talks Stance

BK1101151894 Hong Kong AFP in English 1208 GMT 11 Jan 94

[By Kevin Barrington]

[Excerpts] Phnom Penh, Jan 11 (AFP)—The likelihood of a negotiated settlement to the Cambodian conflict grew slim Tuesday as a war of words erupted over proposed peace talks, with co-premier Prince Norodom Ranariddh accusing the Khmer Rouge of deceit. [passage omitted]

"It is clear that the party of Democratic Kampuchea (DK or Khmer Rouge) is not sincere in its supposed desires for peace and national reconciliation," a statement from the prince said.

A contradiction in the Khmer Rouge's support for a proposal from King Norodom Sihanouk to end the conflict between the guerrillas and the government revealed their insincerity, the prince said.

"The simple proof is that, while declaring they accept all the elements of His Majesty the King of Cambodia's proposal, the Khmer Rouge do not want to recognise the Royal Government of Cambodia and at the same time they insist that they become members or advisors to that same government," the prince said.

In a clandestine meeting on December 17, the prince and the guerrilla leader agreed to set up a working group to discuss implementing the king's proposal where in exchange for ceasing all guerrilla activities, opening up their zones and merging their fighters with the national army, "acceptable" members of the Khmer Rouge would be given senior government posts.

In his statement, the prince dismissed Khieu Samphan's accusation that he had reneged on an agreement over the composition of the working group.

Khieu Samphan said the two leaders had settled on a formula where the group should either consist of representatives from just the Khmer Rouge and the royalists or if the Cambodian People's Party (CPP) were to be included, then the third party in the coalition government, the small Buddhist Liberal Democratic Party, had also to be represented.

But the prince—who recently appointed just two representatives, cabinet ministers Veng Sereivut from FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and Sok An from the CPP—said he told the guerrilla leader that the king's proposal "clearly referred" to talks between the "DK and Royal Government," not between the guerrillas and individual parties in the coalition government. [passage omitted]

The government has up to 2,000 troops poised ready for a final attack on the radical faction's key base at Anlung Veng near the Thai border in northern Siem Reap province, the minister said.

Meanwhile, a former prime minister of the Vietnamese-installed Phnom Penh regime, Pen Sovann, criticised the notion of bringing Khmer Rouge officials into the government.

"Their hands are soaked in the people's blood so we should ask the people whether we want to welcome them," Pen Sovann, who was ousted from his premier post in a 1981 internal party feud, said.

DK Communique Assails Offensive, 'U.S. Entente'

*BK1201070194 (Clandestine) Voice of the Great
National Union Front of Cambodia in English 0100
GMT 12 Jan 94*

["Full text of communique by National Army of Democratic Kampuchea spokesman on the failure of the 16th dry-season military operation of the Vietnamese communists, their puppets, and the U.S. entente against

Democratic Kampuchea's [DK] liberated zone"; dated 10 January—read by announcer]

[Text] I. It should be recalled that after the UNTAC [UN Transitional Authority in Cambodia] organized elections, the Vietnamese communists, their puppets, and the entente have staged a closed-door coup d'etat setting up this current two-headed government. In the meantime, in August 1993, the Vietnamese communists and the U.S. entente have mustered up their forces and launched attack against the Phnum Prah hill and Phnum Chhat in northern Sisophon, against Stoung in Kompong Thom, destroying everything, burning down houses, killing people indiscriminately, and plundering all sorts of property. The population fled their houses, farms, and rice fields while women were raped savagely.

What is the true nature of this act?

Firstly, it is actually the continuation of the Vietnamese aggression war against Cambodia.

Secondly, it is an act of flaming the war by the U.S. entente through the two-headed government set up by them. They have mustered up their destructive forces in order to fight against Democratic Kampuchea.

Therefore, who started the war at the end of 1978 and who continued to fan the flames of war by launching attacks against Phnum Chhat and Stoung last August? And who mapped out the so-called largest military operation ever against Anlung Veng in last September?

Presently, overexcited by their criminal feats in Phnum Chhat and Stoung, the Vietnamese communists, their puppets, and the entente hurriedly mounted a largest operation aimed at capturing Anlung Veng. In this regard, the puppet Hun Sen has shouted: "Fight, fight, fight. Fight against and totally exterminate the Khmer Rouge!" While in New York, he went so far as to declare that he would mobilize up to hundred thousand men and spend thousand lives to take over the Anlung Veng for Vietnam. Who is then responsible for the continuation of the current Vietnamese war of aggression? However, their large-scale military operation against Phnum Chhat in September 1993 met with crushing defeat.

II. Since November and December 1993, the two-headed government, Hun Sen, and others, have talked only about fight, fight, fight. They have called for launching military campaigns and making war against the Khmer Rouge. All these are Vietnamese communist slogans who have used them for a long time against the nation and people of Cambodia. They have not said a word about national reconciliation. They have overlooked and failed to notice the fact that Democratic Kampuchea has succeeded in defending and safeguarding the Cambodian nation and people because it forms part and parcel of the whole nation and people. In other words, because the nation and people have always been with Democratic Kampuchea in its struggle against the Vietnamese aggressors.

Specifically, since the end of October 1993, the Vietnamese communists, their puppets, and the U.S. entente have mapped out and prepared their military campaigns of the 16th dry season against Anlung Veng, Stoung, Malai, and Pailin. This is a large mobilization of forces of the Vietnamese communists and of the U.S.-financed forces. The U.S. and France are the financial backers. They, together with Australia, have also been responsible for the propaganda and psychological warfare campaign. They have done all this with the aim of destroying the Khmer Rouge, making it impossible to be part of a national army and in the government. Their goal is to force the Khmer Rouge, through military means, to accept their three-point conditions, namely laying down their arms, handing over the Democratic Kampuchea-held areas, and dissolving the National Army of Democratic Kampuchea [NADK].

They have propagandized repeatedly about those conditions. They have opposed the king's five-point guideline for national reconciliation. The whole nation and people of Cambodia have welcomed and supported the king's five points. Still, they are adamantly oppose to them. In so doing, they aim at putting aside the king's five-point guideline, preventing the roundtable meeting or talks on national reconciliation and unity.

III. What are the concrete results of these military campaigns?

They have launched these large-scale operations since November 1993 but they met with crushing defeats in December last and this early January. What are the causes of their failure?

Firstly, they lack fighting forces. The people are strongly against them. They are against the war. Some who have been enlisted by force have deserted for lack of money, salaries, rice, salt, et cetera. The people need to care about their own lives. They refuse to be killed for the two-headed government, the Vietnamese communists, and the entente. They don't want to die and they don't want to see the nation and people disappear.

Secondly, they lack ammunition. So far, no one has agreed to sell them ammunition. Everybody wants peace and national reconciliation in Cambodia.

Thirdly, they have no economy, no food. In the course of the 13th, 14th, and 15th years of the Vietnamese war of aggression, everything has been plundered. The country has been devastated. The people's land, water, and cattle have been destroyed. Moreover, the two-headed government has conscripted them into the army. As a result, the economy is in a shambles. In such a situation, they have been forced to put off their military campaigns again and again. They have postponed their initial 17 December 1993 plan to early January 1994.

Their activities and failure can be summed up as follows:

1. Malai battlefield. They launched a three-pronged military attack on the 1 January 1994: the first prong

along the Mongkolborei river; the second from Route 5 to Dong Aranh; and the third from Poipet into Thailand at Nang E, aimed at attacking from the rear. They deployed infantry along Route 5 backed by several pieces of heavy artillery, multiple rocket launchers, and armored vehicles.

The forces in this campaign were the 12th Division at Nimit in charge of the Banteay Meanchey region; the 6th Division stationed along the Stoeng Mongkolborei river; and the 7th and 8th divisions, respectively stationed along Route 69 and at Phnum Srok. All together, four divisions from the Vietnamese communist puppets, ANKI [National Army of Independent Cambodia], and Dien Del [Khmer People's National Liberation Front] forces.

The NADK and the people in the Malai region were aware of this scheme beforehand. Together, they foiled this so-called large-scale military campaign by displaying their high spirit of strong determination and responsibility toward the nation and people, preventing the enemy from carrying out their strategy and tactics to destroy the national forces and the people and to swallow up Cambodia. In the course of fighting which lasted for three days from 1-3 January 1994, the NADK and people successfully held the military campaign in check using mines, booby traps, and attacking from the front, the rear, and the flanks. This was combined with some heavy artillery along with political and economic activities.

During this campaign, Pol Saroeun, the puppet military commander in Phnom Penh; Hul Savoan from Battambang and Prum Moranak, the zone military commander, were shamefully beaten back. These Vietnamese puppets were defeated but their masters continued stubbornly to desperately carry out their strategy.

The Cambodian nation and people and the NADK living in the Malai region remain vigilant and prepare to struggle against the enemy. The latter must clearly realize that Democratic Kampuchea enjoys the support of the whole nation and people. Thus an attack against Democratic Kampuchea would amount to an attack against the whole nation and people. In the past, they have mounted countless attacks—large or medium or small—against Democratic Kampuchea. But they all failed. If they pursue their venture, the result would surely be the same, as in the case of the Vietnamese aggressors in the last 13 years.

2. Anlung Veng battlefield: They have prepared their military campaign against Anlung Veng and the Dangrek zone since November 1993. But they have failed to carry it out for lack of fighting forces, ammunition, and food.

At the end of December, they tried again by dividing their forces in three prongs: the first from Route 68, particularly from Samraong eastward; the second from Varin and Sre Noy in Siem Reap Province; and the third from Kulen in Preah Vihear Province. Their combined forces deployed in that campaign include those of the

Vietnamese communist puppets, ANKI, and Dien Del under the command of many so-called generals based on Route 68. Among them were Pol Saroeun, (Chuan Sovantha), (Uy Sopheap), Long Sopheap, Keo Pisit, (Prak Sovanna), and Nhoek Bunchhai. All of them were in desperate straits. Thus, their forces were decimated by mines everyday, armored vehicles were destroyed, and corpses were left on the ground.

It is to be recalled that during their large-scale operations last September, their forces suffered a heavy loss by mines, malaria, and starvation. Besides, in order to attack Anlung Veng, they mobilized their forces in Ampil, Ku, Romchong, Thmar Puok, Kouk Mon, Kouk Khpos, Boeng Trakuon, and Banteay Chhma before sending them to Route 68 and Anlung Veng. But the NADK and the population have attacked their bases both on the east and west of Route 68 making them flee in disarray.

As a result, the Route 68 battlefield and the enemy forces were divided in two parts, causing serious harm to the Vietnamese puppet forces' Divisions 286, 179, and 3 at O Smach, the 9th Division on Route 68, the 8th at Phnum Srok, and the 7th on Route 69.

The present fighting causes panic among the two-headed government's forces. They desert daily in large numbers. Field commanders dare not show up in the field. Only the rank and file do so. But the latter refuse to die for their commanders, for the two-headed government, the Vietnamese communists, and the entente whose only objective is to exterminate the Cambodian nation and people.

In summary, one can say that the military campaign against Anlung Veng was transformed into the battlefields east and west of Route 68, that of Varin-Siem Reap and Kulen-Preah Vihear, which form a large and active fighting area directly affecting the Vietnamese puppet forces, the U.S.-supported forces, and the entente who are responsible for the continuation of the war in Cambodia.

It should be noted that in this battlefield, the people who have been angry since last September 1993 were actively participating in making the two-headed government's military campaign a failure. The enemy forces can be compared to people entering a bush fire which engulfs them from all sides.

3. Stoung battlefield in Kompong Thom Province. They have launched operations on the Stoung battlefield and Route 12 for quite some time. Their puppet commanders have been mobilized for that purpose. They began to seriously prepare their campaign in November and December 1993. However, they were successively checked by the NADK and the local population.

All people in Kompong Thom, soldiers, policemen, even foreigners, were fully aware of who attacked whom. The population and the NADK in Stoung, exercising their

right to self-defense, fought back and put them to rout. The main causes for their defeat are:

A. The nation and people of Cambodia, as well as the peace-loving countries the world over, are opposed to the continuation of the Vietnamese war of aggression.

B. The people want national reconciliation and peace while they flame the war.

C. The enemy forces have committed mass killing destroying everything. As a result, people have fled their homes and villages and taken refuge in forests. These people have then become a people's force of hundreds of thousands of men and women fighting back both militarily and economically. They cut off the enemy's supply routes, laid mines and booby traps, and encouraged and called on their children to desert.

Therefore, the NADK has closely identified with hundreds of thousands of people and together fought against enemy forces everywhere like sparrows landing in a ricefield.

Democratic Kampuchea should not be looked (?alone) as a litter. It is closely linked and united with the people and all the national forces, making it an enormous force fighting for the defense and security of the Cambodian nation and people to this day.

One may ask whether the aggressors fighting against the whole Cambodian nation and people have lost or won their war. They cannot escape defeat before the nation and people of Cambodia, who are so oppressed by anger that they would fight [word indistinct] to the end.

IV. How to resolve the Cambodia conflict

The only way is to achieve national reconciliation based on the five-point guideline of Samdech Euv, His Majesty the King. This five-point guideline represents the profound aspiration of the nation and people of Cambodia and that of peace-loving countries in the world.

Whoever challenges these five points is against the Cambodian nation and people and against peace-loving countries in the world, in particular those in the region. Therefore, the trend of the Cambodian nation and people is leading toward national reconciliation in order to restore peace and provide opportunity for the rebuilding of the country and raising the people's standard of living. This would contribute to stability in the region as well.

Hence, the beginning of 1994 is the last occasion for the thorough assessment of the situation. The fighting has lasted for already 13, 14, and 15 years. It must end. What has happened to the Vietnamese aggressors who have been well-known for their fighting skills? All the people have already learned this lesson. They have to see clearly who is with Democratic Kampuchea, that is, the whole nation and people of Cambodia.

The five-point guideline of Samdech Euv is of paramount importance. Democratic Kampuchea has been now acclaimed as the one who holds the banner of national reconciliation and fights for that purpose. This is to say that the people and Democratic Kampuchea are one. Whoever opposes national reconciliation and continues the war would be doomed to fade away.

[Dated] 10 January 1994

[Signed] The spokesman of the NADK.

Minister Notes Plan To Control Commercial Banks

BK1201060794 Bangkok PHUCHATKAN in Thai 12 Jan 94 pp 1, 2

[Excerpt] Certain Thai banks in Cambodia, which reportedly will have their contracts revoked, pioneered banking in that country and have no connections with the Thai banking sector. The Cambodian Finance Ministry is seeking to reorganize the commercial banking system.

Cambodian Finance Minister Sam Rangsi informed PHUCHATKAN that his ministry is in the process of issuing an order that will immediately close local and foreign commercial banks that did not bring any capital into the country for their operations.

An inspection of licenses the commercial banks received from the Cambodian national bank during the Hun Sen government's tenure reveals that 50 percent of the existing 21 banks did not operate like real banks. Some sell lottery tickets, while others were established for the purpose of laundering money.

The Cambodian national bank early this week sent a circular to all commercial banks to transfer \$5 million in registered capital to the national bank within 30 days. Failure to comply will result in the termination of their licenses.

Sam said: "We must change commercial bank regulations. Banks that have not operated like real banks or have done notorious business will have to leave. We will only allow reputable banks with capital to support their functions to operate in Cambodia."

The Cambodian finance minister said the Cambodian national bank will withdraw its shares in all commercial banks so that it can fully control the operations of commercial banks.

The new regulations have greatly displeased commercial banks because the transfer of capital to the national bank will deprive them of operational funds.

According to a source in Phnom Penh, a loosely-formed association of commercial banks is negotiating with the Cambodian national bank and the finance minister to use the capital that is to be transferred for their banking operations. The outcome of the negotiations is not known at this time. [passage omitted]

Chea Sim Sees Thai Premier, Views Sihanouk's Health

BK1201120194 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1100 GMT 12 Jan 94

[Text] Samdech Chea Sim, acting head of state and chairman of the National Assembly, granted an audience to the high-level Royal Thai Government delegation led His Excellency [H.E.] Prime Minister Chuan Likphai at the Damnak Chan Pavilion in the Royal Palace at 1100 on 12 January.

Samdech Chea Sim welcomed H.E. Chuan Likphai's visit to Cambodia, considering it a new step toward expanding and reinforcing the relations of solidarity, friendship, and cooperation between the two kingdoms. He also thanked the Thai Government for its contributions to the process of seeking peace and national reconciliation in Cambodia and for its assistance in the restoration of the country. Samdech Chea Sim informed Mr. Chuan Likphai about the health of His Majesty King Norodom Sihanouk Varaman of Cambodia, who is now well. After completing his medical treatment at the end of March, the king will return to Cambodia in the beginning of April. Samdech Chea Sim also expressed the hope that talks between the heads of the two governments that will take place on the afternoon of 12 January will be crowned with certain successes.

In his reply, H.E. Chuan Likphai reaffirmed Thailand's attention to cooperation with Cambodia. He wished His Majesty King Norodom Sihanouk Varaman good health and a speedy recovery so that the king can return to the homeland and provide a cool shade for the entire Cambodian people. H.E. Chuan Likphai said he was confident that under his majesty's leadership, peace will certainly be restored in Cambodia and the country will develop gloriously.

Indonesia

ICRC Denies Helping Smuggle Out Xanana Letters

BK1201122794 Jakarta THE JAKARTA POST in English 5 Jan 94 p 2

[Text] Jakarta (JP)—The International Committee of the Red Cross (ICRC) denied yesterday the allegation that it helped smuggle letters by convicted East Timor rebel leader Jose Alexandre "Xanana" Gusmao out of the country.

"We have no information on the concerned letters and we only found out about them just from reading newspapers," H. Fournier, chief ICRC representative in Indonesia, told THE JAKARTA POST.

Xanana, who is serving a 20-year jail term at the Cipinang Correctional Institution, reportedly wrote letters to

Portugal and the International Court of Justice pleading for their intervention and demanding a new trial by the world court.

The letters, whose existence was first disclosed by the Portuguese press, have been the subject of an investigation by the Indonesian authorities.

Director General for Correctional Institutions Bahrudin Lopa said the letters were believed to have been sent by Xanana through his mother and an ICRC official who visited him at Cipinang last month.

Fournier said he had received no letters from Xanana's mother and other family members on a visit to the prison between December 8 and December 11, 1993.

"The family visit was under supervision of concerned authorities at the prison and several officials of the Indonesian Red Cross," he said.

He said it was true that the ICRC had jointly organized the visit to East Timorese detainees at the prison with the local Red Cross office, but that it knew nothing about the letters.

He said he had also clarified the matter with the Indonesian authorities to their entire satisfaction.

Armed Forces Commander General Feisal Tanjung said last week that he believed the letters to be genuine, but did not rule out the possibility that they had been written by someone other than Xanana.

Suharto Sees Dutch Parliamentarians on Human Rights

BK1201121994 Jakarta ANTARA in English 0930 GMT 12 Jan 94

[Text] Jakarta, Jan 12 (OANA-ANTARA)—President Suharto received a nine-member Dutch parliamentary delegation at the presidential palace here on Wednesday to discuss bilateral economic relations and human rights issues.

Wim Deetman, the head of the Dutch delegation, told reporters after a meeting with the president that the discussions on the implementation of human rights in the country were based on the principle that Indonesia and the Netherlands are sovereign and independent states.

"Yes", Deetman said when asked whether the two countries had different views on the implementation of human rights.

Commenting on Indonesia's decision to reject Dutch aid in 1992 after the Netherlands' announced suspension of assistance to Indonesia in protest of November 12, 1991 incident in Dili, capital of East Timor, he said, "That's the fact."

The Indonesian Government has since then refused Dutch aid on the grounds that The Hague had intervened in the country's internal affairs. Indonesia considered a Dutch-sponsored financial consortium a tool to intimidate Indonesia on human rights questions.

Meanwhile, House Speaker Wahono told reporters after accompanying the Dutch legislators during the meeting with the president that the Netherlands remained to respect Indonesia as a sovereign and independent state despite the different views on the implementation of human rights.

They (Dutch legislators) are aware that the implementation of human rights depends on a number of things, such as the history and background of the nation," he said.

The head of state and Dutch legislators also discussed a possibility of using Rotterdam to serve as a gateway for Indonesian export commodities to Europe.

Timor General: No Curbs on Portuguese Visit

BK1201031794 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 12 Jan 94

[Text] Major-General Theo Syafie, Commander of the 9th Udayana Regional Command, has stressed that the visit by former General Carlos Galvao de Mello, head of the Portugal-Indonesia Friendship Association, PIFA, to East Timor will not be obstructed.

Speaking to newsmen in Denpasar, the regional commander clarified that de Mello will be free to talk to anyone or visit any place he wishes in East Timor. Therefore, no restrictions will be placed against Galvao de Mello compared to (Manuel Tillman), a Macau (?programmer) who was originally from East Timor and has been visiting Dili for the past week.

The regional commander hopes Galvao de Mello, who has been given the freedom to visit East Timor, will personally observe the existing situation there. He also hopes de Mello will then clarify to the Portuguese community what he observed without distorting any facts.

Meanwhile, after a meeting with the regional commander, de Mello said his current visit to East Timor has no specific bearing and that it was only aimed at further fostering ties between Indonesia and Portugal.

Philippines

Government Warns CPP-NDF Over Talks Delay

BK1201044294 Quezon City Radio Filipinas in English 0230 GMT 12 Jan 94

[Text] The government negotiating panel has warned the Communist Party of the Philippines-National Democratic Front [CPP-NDF] that they may be left out in the government peace efforts if they continue to delay the

peace process. Ambassador Howard Dee, chairman of the government panel, said they are still awaiting the response from the NDF leaders to the government's letter dated 27 December. Dee said the government has agreed in that letter to the holding of preliminary talks in Europe primarily to settle issues blocking the holding of exploratory talks in Vietnam. Earlier, the government proposed to hold the preliminary negotiations with NDF leaders middle of this month.

Provincial Communist Leaders Urged To Return

BK1201073394 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 12 Jan 94

[Text] Army Chief Arturo Enrile has appealed to the communist leaders in the provinces to return to the fold of the law and abandon their fugitive way of life in the mountains. Enrile issued this appeal following the arrest of communist leader Arturo Tabara and seven others in the town of Murcia near Bacolod City. Tabara and his group earlier had broken away from the group of communist leader Jose Maria Sison. Enrile said the arrest of Tabara will certainly have an effect on the ongoing peace process.

[Begin Enrile recording, in English] Hopefully it will create some kind of a bandwagon effect, so that the other commands in other areas of the country, hopefully, instead of allowing themselves to be captured considering, any way, they are really having a difficult time. We are inviting them to join the bandwagon already. [end recording].

MNLF Chief's Security Escort Size Questioned

BK1201105794 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 12 Jan 94

[Text] Ambassador Manuel Yan, head of the government panel negotiating with the MNLF [Moro National Liberation Front], has emphasized that Nur Misuari is not allowed to use 500 men as security escorts in Mindanao. According to Yan, based on what has been agreed to during the preliminary talks held earlier in Jolo, Sulu, only 15 security escorts each are allowed for Nur Misuari and Yan. Yan added that the government panel is seriously implementing this agreement on security arrangements for those concerned.

1993 Payments Deficit Registers \$92 Billion

BK1201021694 Manila MANILA STANDARD in English 6 Jan 94 p 13

[By Ramon Tomeldan]

[Text] The country's balance of payments (BOP) ended with a \$92 billion deficit last year, a sharp reversal of the \$353 million surplus it posted in 1992, Bangko Sentral [Central Bank] Governor Gabriel Singson reported to President Ramos yesterday.

A burst of imports averaging 18.9 percent more than the previous year mainly eroded the gains from financial and non-trade dealings with the rest of the world, according to the Bangko Sentral report.

Despite this negative turn of events, the Bangko Sentral managed to beef up the gross international reserves (GIR) to \$5.6 billion thus boosting its capability to meet another surge of importations this year, the report said.

Much of these dollar reserves came from foreign investments proceeds exceeding \$2 billion. A sizable portion of these foreign funds had been placed—in the stock market and the high-yield, zero-risk government securities.

Last minute inflows of foreign loans, likewise, augmented the GIR which peaked at \$6.7 billion in April, the report said. Among these are the \$480 million final tranche of a financial sector adjustment loan from the World Bank, with Japan's Export-Import Bank and Overseas Economic Cooperation Fund (OECF) as co-financiers.

The Bangko Sentral also availed itself of \$1.1 billion in short-term loans using its gold holdings and securities as collateral, to meet local dollar demand and discourage speculations.

These borrowings caused the foreign debt stock to pile up to \$34.4 billion as of end-August, from \$30.9 billion in 1992, the report said.

The debt stock picture, however, "remained well within acceptable international norms" considering that indicators point to the country's sound capability to service its foreign obligations, the report said.

The debt service ratio, for instance, reached 18.1 percent, meaning annual payments for loan principal and interest rates equalled that amount of dollar earned, according to the report. That would be within the ideal ratio of 20 percent.

Singson said in the report that Bangko Sentral's operations were marked by the following:

- The financial restructuring of the defunct Central Bank, giving rise to the Bangko Sentral as a well-capitalized monetary agency;
- Lifting of restrictions on dollar trade as part of the continuing deregulation of the foreign exchange sector to attract new investments;
- A two percentage point reduction in the reserve requirements to ease banks' cost of handling money, and bring about a lower interest rate;
- A sharp reduction in the loan rediscounting rate for exporters, from 12.8 percent in March to 9.4 percent, coupled with an increase in the loan fund to P10 billion [Philippine pesos].

Thailand

Labor 'Difficulties,' Libya Diplomatic Ties Viewed

*BK1101151594 Bangkok MATICHON in Thai
11 Jan 94 p 15*

[Text] The Association of Job Placement Companies has reported that Thai workers are encountering difficulties in obtaining visas to reenter Libya. Those workers who have returned and are now applying for reentry visas are having problems. Libya has refused to issue visas to workers whose contracts have expired. New job seekers are also encountering many problems. They have to wait for a long time to get a visa to work there. Job placement companies have been waiting, but have not received an answer. This has disrupted the businesses of brokers who send Thai workers to work in Libya. The delay in issuing visas comes despite the fact that Thai workers are skilled and the companies that hired them want them to return and complete the projects they were hired for.

Thamrongsak Saengthong, owner of (Fa-ez) Thailand Company, admits that he can do nothing to help the workers because it is up to the Thai Government and the Foreign Ministry to solve the problem. He is waiting for the outcome of how the government will handle the problem. Job placement companies are confused on the issue of Libya. They hope Phaithun Kaeothong, the new labor minister, will be able to solve the problem effectively.

According to a source at the Labor and Social Welfare Ministry, Phaithun Kaeothong made a remark to some high-ranking authorities that he is concerned about the problem. The problem was discussed at a meeting of the committee in charge of helping Thai workers in Libya, chaired by Deputy Prime Minister Amnuai Wirawan. Phaithun has been informed by the brokers that they were told to send all Thai workers home by February, including those whose contracts have expired as well as those whose contracts are still valid.

"Workers whose permits have expired will not be given reentry visas. As for new workers applying for visas, Libya has not rejected their applications, but is just delaying issuing visas. As of 4 January, the Labor Ministry instructed its officials in Greece to check with Thai workers in Libya and report the facts they obtain back to the ministry. Therefore, a report is expected this week," the source said.

According to the same source, Labor Permanent Secretary Sawai Phrammani has discussed the matter with his deputy, and they agreed to send a team to negotiate with Libya once a report is received from the labor attache in Greece. They stressed, however, that the issue of Thai workers must be separate from that of international relations.

"The Libyan attitude is seen as a tactic to pressure Thailand into working actively to establish diplomatic relations between the two countries. The matter was

discussed with Libya a long time ago, but Thailand has remained quiet about it, especially now that it has become a member of the Nonaligned Movement. Libya is serious about it. If Thailand makes its position clear on diplomatic relations, it is believed the problem of Thai workers will be settled," the source said.

The Labor Ministry's Job Placement Department reports that there are currently about 20,000 Thai workers in Libya. They are confused about the Thai Government's attitude. The companies say that workers were asking questions after a report said that Libya was unhappy with Thailand's policy of following America.

Spokesman: RTG Backs 'Legitimate' Cambodia Regime

*BK1201142794 Bangkok Radio Thailand Network in
Thai 1200 GMT 12 Jan 94*

[Text] Just before this newscast, Government House Spokesman Aphisit Wetchachiwa reported on the two major topics of discussions during the prime minister's visit to Cambodia. The topics concerned cooperation in establishing national reconciliation in Cambodia and setting up a mechanism to help Thai businessmen participate in Cambodia's economic reconstruction.

[Begin Aphisit recording] The Cambodian side thanked the Thai Government for supporting and playing a major role in the success of the peace process in Cambodia. The Thai side reiterated its desire and clear policy of supporting the legitimate Cambodian Government. It will not support any group that opposes this government. The government has a policy of not interfering in Cambodia's internal affairs. On this issue, both sides noted that there have been many claims and reports—particularly by foreign press agencies—that have led to uneasy feelings by both parties. They discussed the fact that although their objectives and policies are the same, implementation at the border—which stretches a long way—could be inconsistent. Both governments seek direct coordination with each other to achieve a correct understanding and avoid having minor events escalate into situations that might obstruct good overall relations.

On economic issues, the Cambodian side welcomed Thai businessmen who have played a role in economic development. It informed the Thai Government that it is in the process of creating mechanisms, organizations, and laws to govern business conduct. This will be the framework for future business functions. Regarding contracts that Thai businessmen have made with Cambodian parties, the Cambodian Government will not revoke them; it will honor its commitments. On those projects that are not supported by contracts, regulations will have to be followed and contracts will have to be negotiated.

The Thai prime minister informed the Cambodian side that in addition to existing aid, Thailand will approve imports of 10,000 tons of soybeans from Cambodia in July and will grant 50 scholarships. The prime minister pointed out that Cambodia and Thai businessmen reap

mutual benefits from the activities of the businessmen. Those who have violated Cambodian law should be strictly prosecuted, while justice should be ensured for those who appeared to be involved in dishonest activities but were, in fact, innocent.

Both sides discussed possible mechanisms to facilitate the conduct of trade and business, including the promotion of trade at border crossings so that duties can be collected and the creation of a mechanism to oversee border problems and ore exploration in overlapping sea territories. Regarding the Mekong committee, both sides are pleased that China and Burma have joined. Both sides want quick implementation on these issues. [end recording]

Board May Screen Investors for Cambodia

*BK1201030194 Bangkok BANGKOK POST in English
12 Jan 94 p 19, 32*

[Excerpts] THE Board of Investment (BOI) is willing to help Cambodia screen Thais wanting to invest in Cambodia, secretary-general Sataphon Kawitanon said yesterday.

Mr Sataphon made the offer on the eve of Prime Minister Chuan Likphai's visit to Cambodia this week.

The 56 Thai businessmen who will accompany the Premier on the three-day visit will participate in a seminar on regulations and prospects for trade and investment in Cambodia.

During the visit, the Foreign Ministry will sign an agreement to set up a joint commission on bilateral relations.

Mr Sataphon said the seminar is being held by the Cambodian Government in cooperation with the Thai Embassy and the BOI to attract Thai investors to Cambodia. The Government was formed in November last year.

It will give Thai investors "who have good intentions" an opportunity to learn more about new investment regulations in Cambodia.

He said he hoped the Prime Minister's visit would strengthen relations between Thailand and Cambodia and result in more investment cooperation.

He said the BOI is aware of Cambodia's concern about "Thai opportunists" who are taking advantage of Cambodians. He hoped that a new group of Thai investors will replace the bad ones. [passage omitted]

According to the Thai Commercial Counsellor's Office in Phnom Penh Thais had invested in 617 projects in Cambodia as of October last year. Hotels accounted for most of the projects, 71, followed by 64 banking projects.

In the first quarter of last year, there were 589 foreign projects, of which Thais had 21.4 percent, Cambodians 16.1 percent, Singaporeans 13 percent, Hong Kong

people 11.9 percent, and joint ventures between foreigners and Khmer accounted for 1.4 percent.

Mr Sataphon said the BOI has not yet signed agreements with the new National Investment Committee on investment cooperation because the Cambodian Government is improving its investment law and restructuring.

He said that if the Cambodian Government wants the BOI to help screen Thai investors, it is willing to do so.

Thai businessmen should explore partnerships with Cambodians and long-term investments to benefit both sides, he said.

The BOI and Cambodia's investment agencies have closely cooperated on investment for a long time. Cambodia sent officials to study the management and investment law of the BOI last year, and Phnom Penh is planning to offer investment privileges through a similar agency to Thailand's BOI.

The 56 businessmen who will accompany Mr Chuan include Ital-Thai Development Corp chairman Chaiyut Kanasut, C. Thong Phanit Ltd Part & Group chairman Dilok Mahadamrongkun, Samat Corporation Plc managing director Thawatchai Wilailak, Chinnawat International Co chairman Phaibun Limpaphayom, and executives of Bangkok Bank, Bank of Ayudhya, Saha Phattana Phibun, PTT Exploration and Production Plc, 3M Thailand and Seagate Technology Thailand.

The BOI said the businessmen are interested in construction, hotels and tourism, cold storage and fisheries, furniture and wood products, telecommunications, jewellery cosmetics, real estate, rubber, steel, trading companies, automobiles, finance, household goods and electronics.

Minister Asks Malaysia To Ease Border Trade Rules

*BK1201023994 Bangkok BANGKOK POST in English
12 Jan 94 p 32*

[Text] Deputy Prime Minister Suphachai Phanitchaphak has formally asked his Malaysian counterpart to ease some restrictions on border trade in the spirit of the Economic Growth Triangle programme.

Dr Suphachai said he expects the next ministerial-level meeting of the Growth Triangle—Thailand, Malaysia and Indonesia—to formulate policies to enhance cooperation in cost saving, trade, investment, industry, energy, tourism and farming.

He said longer opening hours at border checkpoints and lower tariffs would be a first step towards better Thai-Malaysia trade.

Malaysia wants to shift some of its electronic industry to Chalung Industrial Estate in Thailand. But some Malaysian businesses say the estate is too small and land prices are too high, Dr Suphachai said.

Some Malaysian companies have been buying land in Sungai Kolok to build a parts factory, he said.

Turning to Indonesia, Dr Suphachai said he expected joint development in power plants, air services and joint fishing ventures.

Cabinet Endorses Establishment of IPR Court

*BK1201024794 Bangkok THE NATION in English
12 Jan 94 p A5*

[Text] THE Cabinet yesterday endorsed a proposal to establish an Intellectual Property [IPR] and International Trade Court to improve intellectual property protection.

The court will oversee cases concerning violations of intellectual property rights in both the criminal and civil courts.

It will also help to speed up judiciary proceedings as it will rule on cases within one week of receiving testimony. The entire process will take six months.

The establishment of the new court under the Justice Ministry now only needs ministerial approval.

Among ways to speed up the judicial process in the proposed court are:

- Sending a court notice through the post, which will be 20 days faster than by handing it over by a limited team of messengers.
- The court will have witnesses testifying every day instead of postponing cases.

The committee working on the new court is at present studying the process and the types of cases to come under the new court's jurisdiction. The qualifications of the judges are also being considered.

The Justice Ministry has already created a new division to oversee intellectual property rights cases.

Vietnam

Phan Van Khai: Hanoi 'Ready' for U.S. Ties

*BK1201063394 Hanoi VNA in English 0619 GMT
12 Jan 94*

[Text] Hanoi VNA Jan.12—Vice Prime Minister Phan Van Khai received in Ho Chi Minh City yesterday a delegation of representatives from major companies of the United States namely IBM, GM, AT and T, Kodak and Harvard University on a visit to Vietnam.

Speaking at the event, Mr. Peter C. Aldrich, head of the delegation, thanked the Vietnamese Government for favourable conditions it created for them to investigate investment prospects and seek possibilities to join in investment projects especially in the fields of infrastructure construction services and real estate.

Mr. Aldrich highly valued the achievements recorded by the Vietnamese Government and people in socio-economic development, especially in 1993. He expressed the US businesses' attention to the orientation of Vietnam's socio-economic development in the period of 1994-1995, and the role of the state economic sectors in the market-oriented economy and investment prospects when the US embargo is lifted.

For his part, Vice Prime Minister Khai affirmed that Vietnam would continue its multilateral, open foreign policy. Referring to the US-Vietnam relations, Vice Prime Minister Khai said that Vietnam would be ready to normalize the US-Vietnam relations, and Vietnam hoped that the US Government would do the same in the interests of the two peoples, as well as of peace and progress in the world as a whole.

Prime Minister Vo Van Kiet Receives Paris Mayor

*BK1201044994 Hanoi Voice of Vietnam Network in
Vietnamese 2300 GMT 11 Jan 94*

[Text] On the evening of 11 January, Prime Minister Vo Van Kiet received and had a cordial talk with His Excellency Jacques Chirac, mayor of Paris of the French Republic, who has just arrived in Ho Chi Minh City on the first leg of his official visit to Vietnam.

Speaking on this occasion, His Excellency Jacques Chirac ascertained that it is the French government's policy to give priority to efforts to develop good ties with Vietnam. He expressed his hope that their long-lasting fine relations will continue to develop in the economic, scientific-technological, training, and investment fields. His Excellency the mayor of Paris highly valued Vietnam's renovation policy and wished this country a bright future.

The prime minister highly valued the positive assistance that the French Government and people have provided Vietnam in the economic, cultural, scientific-technological, and cadre training areas. He expressed special thanks to the French Government for taking the lead in the international movement to help Vietnam clear its debts to the International Monetary Fund and restore its relations with international financial and monetary institutions.

The prime minister took into account France's positive role in Vietnam in particular and the region in general. He expressed his hope that a new chapter of Vietnamese-French friendship will be opened following this visit by His Excellency the mayor of Paris to respond to the aspirations of the two countries.

Austrians Discuss Economic Cooperation Prospects

BK1101140994 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 11 Jan 94

[Text] An Austrian Government delegation led by Viktor Klima, minister of public economy and communications and transportation, paid a working visit to Vietnam from 9-11 January 1994. The minister was accompanied by many businessmen representing various leading Austrian companies.

While in Vietnam, the Austrian guests investigated the possibilities for cooperation with Vietnam in various fields, such as the possibility of an early signing of an aviation agreement; the possibility of Austrian participation in the construction and development of the railway sector; and the possibility of Austrian companies participating in the development of the infrastructure, including communications and transportation, especially those projects financed by the international community.

The delegation also had working sessions with the State Planning Commission, the Ministries of Energy and Heavy Industry, and the Ho Chi Minh City People's Committee to discuss cooperation in various areas, such as metallurgy and oil exploitation. The delegation was cordially received by Deputy Prime Minister Tran Duc Luong.

Do Muoi Pays Tribute to Phoumi Vongvichit

BK1101144794 Hanoi VNA in English 1442 GMT 11 Jan 94

[Text] Hanoi VNA Jan 11—A party and state delegation led by Do Muoi, general secretary of the Communist Party of Vietnam Central Committee (CPV CC) called at the Lao Embassy here today to pay last tributes to Phoumi Vongvichit, advisor to the Central Committee of the Lao People's Revolutionary Party (LPRP), who died in Vientiane on Jan 7.

The delegation included Hong Ha, secretary and head of its External Relations Commission of the CPV Central Committee; Phung Van Tuu, vice-chairman of the National Assembly; Tran Duc Luong, deputy prime

minister; Tran Quang Co, deputy foreign minister; and Pham Minh Hac, deputy minister of education and training.

Writing in the mourners' book, General Secretary Do Muoi praised Phoumi Vongvichit as a "close friend of the Vietnamese people who made precious contributions to the consolidation and development of the special friendship and solidarity between Vietnam and Laos".

The same day, another party and state delegation of Vietnam led by Vu Oanh, Politburo member of the CPV CC, left here for Vientiane to attend a memorial service for the deceased.

Delegations from the External Relations Commission, the Foreign Ministry, the State President's Office, the Government's Office, the Vietnamese section of the Inter-Governmental Committee for Vietnam-Laos Cultural and Economic Cooperation, the Vietnam-Laos Friendship Association, and the party committee and people's committee of Hanoi also paid floral tributes to the deceased at Lao Embassy.

Meanwhile in Ho Chi Minh City, delegations of the party committee, the people's council, the people's committee and mass organizations of the city came to the Lao Consulate to mourn over the death of Mr Vongvichit.

Presidential Order Introduces New Laws

BK1201121594 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 12 Jan 94

[Text] This morning, the Office of the Presidency held a press conference to introduce a presidential order on the promulgation of the Law on Environmental Protection, the Law on Business Bankruptcy, the Law on Amendment, and the Supplement to the Law on the Organization of People's Courts which were passed by the Fourth Session of the Ninth National Assembly.

The Law on Environmental Protection includes a preamble and seven chapters of 55 articles. It became effective on 10 January.

The Law on Business Bankruptcy includes six chapters of 52 articles. It takes effect on 1 July.

The Law on Amendment and Supplement of the Law on the Organization of People's Courts became effective on 10 January.

Australia

Current Account Deficit Fell 10 Percent in November

*BK0501024094 Melbourne Radio Australia in English
0100 GMT 5 Jan 94*

[Text] Australia's first major economic figures for the new year shows the nation's trade position has improved. New figures from the Bureau of Statistics show Australia's current account deficit fell 10 percent during November.

Seasonally adjusted balance of payments figures put the current account deficit at \$1.16 billion [Australian dollars]—down from the October figure of \$1.28 billion. The figure was slightly below market expectations. Although merchandise exports decreased by \$17 million during November, Australia's demand for imports also fell by \$76 million.

Fiji

Former Prime Minister Mara Becomes New President

*BK1201021294 Hong Kong AFP in English 0202 GMT
12 Jan 94*

[Text] Suva, Jan 12 (AFP)—Former Fijian prime minister Ratu Sir Kamisese Mara was appointed president here Wednesday by a unanimous vote of the Great Council of Chiefs, which holds paramount authority under the country's constitution.

Mara, 73, had been acting as head of state since December, when former president and high chief Ratu

Sir Penaia Ganilau travelled to the United States for leukaemia treatment. He died in Washington on December 16.

"Ratu Sir Kamisese, with all his experience in international politics, will continue where Ratu Sir Penaia left off," said Prime Minister Sitiveni Rabuka, who chaired the chiefs' meeting as minister for Fijian affairs.

Mara was prime minister when Fiji gained independence from Britain on October 10, 1970 and held the position until 1987 when his National Alliance Party was defeated by a coalition which had the support of the country's large ethnic Indian community.

Within weeks, the coalition, led by Timoci Bavadra, was toppled by troops led by then Brigadier Rabuka, who declared Fiji a republic in October 1987.

Mara was appointed head of an interim government and held the post until 1992, when parliamentary rule was restored in a general election.

The new president's only competition was his brother-in-law and high-chief Ratu Mosese Tuisowau, whose nomination did not surface at the meeting although his name had been forwarded by the rival Great Council of Viti Levu Chiefs.

The rival council is made up of chiefs on the main island of Viti Levu.

On July 25 1990, a new constitution was promulgated in Fiji giving indigenous Fijians the right to hold the prime ministership and a guaranteed majority of 37 seats in the 70-member parliament.

Twenty-seven seats are reserved for Fijians of Indian descent, who first arrived from India as indentured labourers for the former British colonial powers in the late 19th century, and who are about as numerous as native Fijians.

The other six seats are held by Europeans and other small minorities.

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